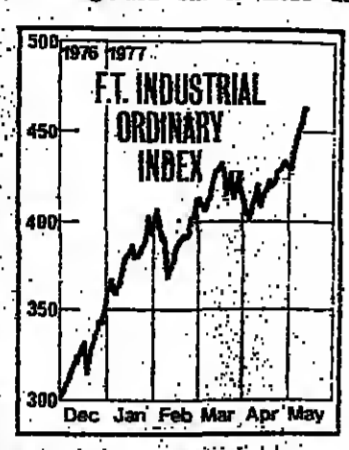


CONTINENTAL SELLING PRICES: AUSTRIA S.15; BELGIUM F.25; DENMARK K.2.5; FRANCE F.3.0; GERMANY DM2.0; ITALY L.50; NETHERLANDS FL.2.0; NORWAY K.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.2.25; SWITZERLAND Fr.2.0; EIRE 12p

NEWS SUMMARY

Equities rise 9.4; gilts in demand. EQUITIES rose strongly on good demand. The FT 30-Share Index gained 9.4 to close at 463.6, the highest since June 1973.



ad cuts relaxed. A moratorium on trunk road engineering imposed last December by the Government's deal with the International Monetary Fund on spending cuts has been lifted.

ops blamed. Roman Catholic Bishop of London said yesterday that it was believed that British troops were responsible for the killing of seven white missionaries in February.

uncil fined. Yorkshire County Council was fined £200 yesterday by Glossop Magistrates after admitting failure to take reasonable steps to protect the occupants of an outdoor public toilet.

gs stolen. Eggs of the osprey, one of Britain's rarest breeding birds, have been stolen from their eyrie in the Highlands of Scotland.

effy... 20 Stradivarius violins, once owned by the 7th Earl Spencer, sold for £38,000 at Christie's.

20 people are still wanted for the murder of a man in an Amsterdam hotel. More bodies were found yesterday bringing the toll to nine.

er given has died working in the North Sea. In the last 24 hours he had died on sea projects.

COMPANIES. UNILEVER recorded pre-tax profit of £129.2m. (1976: £133.3m.) in the first quarter.

EF PRICE CHANGES YESTERDAY. Lucas Inds. 273 + 8. Marley 72 + 7. Midland Bank 298 + 5.

Table of stock price changes including Lucas Inds, Marley, Midland Bank, etc.

Carter gives Russia a year to show détente intentions

BY MALCOLM RUTHERFORD. President Carter has given the Russians a time limit of one year in which to show that they are serious about détente.

That, in effect, is the main message to emerge from his address to the NATO summit meeting in London yesterday. It is likely to be broadly endorsed in a final communiqué to be published today. The President also delighted his European allies by going further than any other U.S. leader in giving assurances that the U.S. would seek opportunities to buy defence equipment in Europe, thus creating a more equal flow in transatlantic arms deals.

Money supply grows, but remains within target

BY PETER RIDDELL, ECONOMICS CORRESPONDENT. THE MONEY supply has shown a significant increase for the first time since last autumn, though the total for the year ended last month, is likely to have been comfortably below the lower end of the target range for 1976-77.

This is suggested by the banking figures for the five weeks to April 20, published today. They also provide a tentative indication of a slight up-swing in bank advances, though the clearers still report almost no increase in demand for loans from industry. The best guide is provided by the eligible liabilities of the banking system as a whole, a major component of the broadly defined money supply (M3).

Burton cuts to cost 1,430 jobs

BY RHYD DAVID, NORTHERN CORRESPONDENT. A SEVERE reduction of its manufacturing facilities involving the loss of 1,430 jobs in the North of England has been ordered by the Burton Group.

The company, badly hit by the decline in demand for traditional made-to-measure suits and the switch to more casual clothes among men, will be dismissing by the end of August 150 people at its main base in Leeds. This will become largely an administration, transport and services centre, with only limited manufacturing.

Table with columns: FEATURES, ON OTHER PAGES, and various news items.

Credit card probe likely

BY ELINOR GOODMAN. CREDIT cards are expected to be referred to the Monopolies Commission by the Office of Fair Trading in the next few months.

The investigation will concentrate on the credit card companies' relations with their retail customers. It will be aimed at ensuring that the big credit card operators—Access, Barclaycard, American Express and Diners' Club—are not exploiting their dominance of the market by laying down terms of trading which are detrimental to consumers, particularly to those paying by cash.

Bread report

THE MONOPOLIES Commission has made a four-year study of the bread market, it is not believed to have recommended any changes in the structure of the industry.

The reference follows a long dispute between the credit card companies and the petrol stations over whether customers paying for petrol on credit cards are entitled to the same discount as those paying cash. The credit card companies charge retailers a commission on sales. In the case of petrol this is about 3 per cent.

Bus driver shot dead in Ulster

BY ROY HODSON IN NORTHERN IRELAND. A bus driver was shot dead, he and his colleagues in the public transport service have shown tremendous courage in the face of threats and intimidation from the supporters of the Action Council led by Mr. Paisley and Mr. Baird.

Ulster heard on radio and television that the Rev. Ian Paisley, Mr. Ernest Baird and 10 other supporters of the United Unionist Action Council general strike had been briefly arrested during a demonstration in the country town of Ballymeo. A few hours later, a bus driver was shot in his cab on a Belfast street. The police believe it was the work of a Loyalist intimidation gang.

Working

Trade union leaders are optimistic that power supplies will be maintained and employers' organisations say they are as long as the situation does not change over power, they will not have any major production problems.

Appeal

Both the strike leaders and the police have appealed for a peaceful campaign last night when they appeared on regional television, protesting against their arrests by the Royal Ulster Constabulary.

Mr. Paisley has twice gone to prison in Northern Ireland for offences concerning demonstrations on the street. After leading a march through a Catholic area of Belfast in 1966, he was charged with unlawful assembly. On refusing to be bound over to keep the peace for two years, he was sent to prison for three months. In 1969 he was jailed for three months for unlawful assembly in Armagh. But he was released almost immediately because of a general amnesty for people involved in civil disturbances.

Advertisement for Northampton MAN YOUR FACTORIES IN NORTHAMPTON. Includes images of a factory, a Carlsberg beer mug, and contact information for L. Austin-Crowe.

copy in 1250

Paris—Orangerie/Bibliothèque Nationale

Henry Moore

by WILLIAM PACKER

The French, with something rather less than their customary scepticism, have lately taken to acknowledging at least the possibility that we may actually produce from time to time an artist of real quality and distinction.

It is not exactly that they have allowed the idea to run away with them: the English contribution to the art of the twentieth century, for example, is recognized for its national identity, set out in the extraordinary Centre Georges Pompidou by a handful of different and for the most part very recent works by all of six men. But, for all that, within certain exhibitions of English work in particular by Francis Bacon and David Hockney, they have been most generously received in Paris, the latest by Bacon closing only a month or so ago.

Now it is Henry Moore's turn to be so feted, who must be at once the most successful and most widely celebrated of English artists, and the most distinguished of living sculptors. He is being paid the considerable compliment by his hosts, the discreet but substantial help of the British Council, of having two exhibitions devoted to him, which cover all aspects of his life's work: at the Bibliothèque Nationale, where all his prints are to be seen, and at the Orangerie des Tuileries, which, with the terraces around it, is to remain full of his sculpture and drawings until the end of August.

Moore is hardly a controversial figure, except to those to whom sculpture with holes through it is still a good joke, but the safe choice is not necessarily to be disparaged, and there is no doubt that he fully deserves the honour. In England, however, within the community of the art world itself, his celebrity is of such long standing, his work so familiar and attitudes towards it so set, that we are inclined perhaps to take everything about him too much for granted.

In Moore's case, the problem is aggravated by the very nature of his work, which has shown a

Television

The sorry state of politics

by CHRIS DUNKLEY

The first cartoon in Bernard Hollowood's book *Scuzzle And Other Papers* shows two men in front of a BBC microphone. One wears a benevolent and rather smug smile as he listens to the other who, with a pitifully woful expression, is saying: "Yes, yes, of course—I see now that I've been holding the wrong political views all these years."

This makes us laugh (at least, it makes me laugh) because it both encapsulates and punctures the inflated assumptions of so many political programmes: the assumption that the adversarial system of studio discussion leads to agreement rather than polarization; the assumption that there are "right" and "wrong" answers to political problems; the assumption that Damszus-Rony conversions can and do happen to politicians and that they will publicly declare the mending of their ways.

Perhaps the most poignant fact, however, is that the book was published in 1948 and that the

series about prime ministers presented by Professor David Dilks, who has so far dealt with Lloyd George, Ramsay MacDonald and Stanley Baldwin. The BBC apparently has its own definition of "New."

The most interesting aspect of the series might have been its use of archive film, but the selections seem to have been made with a bias in favour of macroscopically boring crowd scenes. The most interesting aspect is actually that Prof. Dilks was originally asked by Yorkshire TV to work on a history series about British prime ministers and that this went by the board when ITV set up a deal with David Frost and Sir Harold Wilson for a 13-part series in which Wilson examines the lives of 19 British prime ministers from Walpole to



Lloyd Pack and David Bergman in 'Waters of the Moon', opened the Chichester Festival Theatre season last night.

The Merchant of Venice

ANTHONY THORNCROFT

The problem with *The Merchant of Venice* is that, apart from Shylock and Portia, the characters are faceless. In addition, the playing of Shylock is a problem, fashion-swinging very straight production very Devil and as a pitiable victim who really does bleed when pricked.

George Hurrell staged a middle course, stressing, quite credibly, the Jewishness of the moneylender. Indeed, with an enlarged nose and heavy accent he threatened to overwhelm the play, with the strength of his performance. Fortunately, Anna Carteret was an equally forceful Portia and the trial scene produced the sparks absent in the early stages.

The more dynamic roles generally prompted the best performances. James Hayes was a lively and loquacious Gratiano; Elvi Hale acted Nerissa for all she is worth, and more, while Ronnie Stevens, as Antonio, the merchant whose goodness knows no bounds, and whose noble, indeed, the acting was uniformly competent.

It was pleasant to see Shylock in the casket scene as performed without gimmick, and although this is but Antonio's imminent sacrifice that will bond of flesh, and the fact can be confidently returned to a many more than viewed dispassionately.

The show is unarguably well-judged, comprehensive and accessible, taking us through a life's work clearly and economically. The surprising result is that the earlier works are forgotten, and it becomes as though we are seeing the mass of the work, not for the first time, but with fresh eyes.

The earlier works are particularly impressive evidence to a pre-1945 creative maturity that would surely have secured his reputation had he done nothing more these thirty years. And the stone carving in the first room of a reclining figure of 1929, clearly drawing upon the great pre-Columbian carvings of Mexico, yet wholly unmistakably Moore, is the great seminal work, both formally and conceptually affecting the entire subsequent oeuvre.

Other influences are apparent too, besides the extra-European, and especially the work of such contemporaries as Picasso, Epstein and Brancusi. Into the thirties Moore, too, was drawn towards surrealism, one of the pervasive preoccupations of the time which shared with such as Miro and Giacometti. To set him in such a company is not to belittle him, but rather to confirm his standing. He was never the mere



Henry Moore: Mother and Child (1932)

remarkable consistency throughout his career, so that at times it is all but impossible to say whether a carving was made in the 1930s or the 1960s.

It is not to say that there has been no development, but rather that, with such steady progress, the half-reclining female figure and its curious, abstracted assistance with the landscape, which has led him constantly to total abstraction without ever abandoning a human reference of sympathy, there is a density of form to the work, which unifies and secures it. We may look at the life drawings he made as a young man, statuesque, certain, romantic images, and see in them the essence of every sculpture he has ever made. This is a source of great strength; but it does encourage in the onlooker the sense that he has seen it all before.

To find the Orangerie full of the substance of his achievement, which is to say the sculpture and the drawing that relates directly to his activity as a sculptor, the work in fact on

The Entertainment Guide is on Page 36

men are clearly supposed to be in a radio rather than a TV studio. Plus ça change.

Today we can more expect political programmes to change the ideas of the participants, or the audience than Hollywood did 30 years ago. Last week one FT reader wrote and pointed out that on BBC's recent spate of Party Political Broadcasts had been transmitted immediately after *Monty Python* and Spike Milligan's *Go* and that the PPPs looked just like a continuation of such amusements.

For other viewers they have just two attractions. First they provide collectors' items of telly at its most absurd. In last week's Conservative PPP for instance Mrs Thatcher sat on one side her conversational partner on the other, and—like amateur night at the film club—the camera dwelled on the acreage in between. In Labour's *The Papers*, Guy Parfitt, John Torode praised Oxfordshire County Council's chairman for his Labour policies and then the Press revealed the man to be a Conservative. Howlers of that sort are an improvement on most TV comedy.



replies to every single one. The fascination lay in Nixon's self-delusion.

It seems that since his public disgrace he has like a child devoted habitually an acre in his head until he makes it persuade himself that, despite all the evidence of the tapes, he was the one sinned against and not the sinner.

To persuade the rest of the world of this, he devoted the last 20 minutes of the programme to a performance which proved he had forgotten nothing since his "Checkers" speech on TV in the Eisenhower era. Then it was his wife's cloth coat and a puppy which were invoked to conjure sympathy. This time with the hint of a sob in the voice and a glint in the eye—it was the happiness of daughter Tricia and the sight of the tulips blooming on the day that he sacked Ehrlichman.

Truly loathsome stuff, and more to do with psychiatry than politics.

So where should one turn for politics on the box? The only discussion of current politics, Thames's excellent *People and Politics*, is not running at present. The one other series which sounds as though it must be a devoted viewer, BBC's *Politics Now—The Latest Job*, turns out to be bafflingly misnamed. It is actually a history to her husband who was killed

at Lime Grove are either going to have to keep Scotland's Occasions of the air or look in their laurels because this programme, produced by Marcus Davison, looked like real, live, adult, analytical, political reporting and from the BBC we are not used to that.

All we said by "we" I mean the addressees are used to those occasions during election programmes when, in the early hours of the morning, a discussion of real interest and, if you are lucky, real passion develops. Occasionally politicians can even be heard not scoring petty party points.

In ITN's *By Election Special* on the night of the Grimby and Ashfield polls, Joel Barnett said: "They've done it, we've all done it: in opposition we build up in the electorate expectations which we simply cannot fulfil." Imagine candour of that sort at 8.30.

Over an BBC 1 between bouts of Robin Day's increasingly embarrassing cigar-smoker's couch, Liberal Alan Beith asked Roy Lattersley why he and the Labour Party had not introduced fishing limits in the EEC renegotiation schedule, and Lattersley replied: "You have a very strong point there. In retrospect you are right. We should have."

At the centre of the difficult relationship between politics and television lie not differences but similarities. Politics is concerned with international affairs, with problems of education, employment, prices, medical care, with men's inhumanity to man—and so is television. Politicians and current affairs broadcasters do not understand one another; they understand one another all too well. Their interests are not divergent but convergent, often identical, even if they express these interests in different ways on different jobs.

It was not surprising to see YTV's Austin Mitchell standing for Parliament (some of us even put money on him). Among MPs there are sometimes more members of the National Union of Journalists than of any other union.

For politicians the problem is that in the last 20 years television has grown into such a hugely popular and (supposedly) influential phenomenon while politicians and politicians have (supposedly) declined in popular esteem. Whether this is so or not (I probably not) the answer is surely in the politicians' hands: invite the cameras into Parliament, it is in everybody's interest—broadcaster, viewer, and particularly politician—and should have happened long ago.

Then we might expect occasional programmes that actually would make chances in the political views of the audience.

Sell-Out

by JEREMY KINGSTON

a sad reflection on the or something of that sort. Watch in our political theatre, the party leaders, they betray us, immature, fable, from *Southern* in the name of the Library. This is a perfect, perfectly satisfactory before a wider, and theatre, if the production were the show is sprightly, not so stupidly blinkered. Any and brightly lit and not style—that uses naturalism for snog and unobjectionably the poor, caricature for the rich. Several jokes—made sense up by trivialising every group in the audience.

Particularly the jokes presented, capitalists, as with a Wall Street buying spree or bankers as nannies, and boomtime tap-dancing under incense as every kind of arches of red, white and blue or snobbish incompetent, lamps. Some suicides followed which class, it need hardly be said, and a procession of the is never represented as singing some deft lyrics about heings, pawing jackets, the change from keeping dead tea from arthritis. They lines, to forming breadlines. A quiet dignity, often in light to signify Beethoven's *Symphony No. 9*, and a German made himself look like the original, even to the fashioning incisors.

But after this we had languishing duchesses, drunk heirs to the throne, idiot cabinet ministers and a ten-minute architectural tour of a German bank for reasons, nuclear and never clarified, complete with spluttering consonants, funny foreign names and a musical detour into German "business" with ad present. This event had no bearing on the 1931 sell-out but all is grist to the pamphleteer's mill, message is No Surrender.

Bartok Trio

some is intriguing. Why pianist, a violinist and a cellist, all from Barcelona, their ensemble the Bartok Trio. It all the same somewhat striking motives to express passion for Bartok's music, written for their company, the *Contrasts* of 1933? Bartok is admitted to make the connection still, perhaps the Trio *Contrasts* in every part. They played it at their debut on Monday: a good account, done with familiarity and pleasure, without a great deal of marking or careful shading.

are a friendly, well-grouped—ideally perhaps impossibly at home in a more informal venue than a concert hall. Enthusiasm ever their better part: a fine whirlwind of a "Sécher" dance Tango in the suite from Stravinsky's *L'Histoire du Soldat*—the whole was delivered with more energy and enthusiasm (though, and as the violinist changed his instrument for an alarmingly hungry-toned viola, a nice spring to the allegretto of that godsend for repertory hungry violists and clarinetists, Mozart's *E flat trio* K308. For good measure, the Bartok Trio also gave us a soulful, quasi-serial, essay in one short movement, threaded with some attractive autumnal colours, by the Spanish composer Josquin Homs.

DOMINIC GILL

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May 1977 This announcement appears as a matter of record only.

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Coliseum Les Sylphides

The best qualities of Festival Ballet's new version of *Les Sylphides* are those that illuminated the dancing of its producer, Dame Alicia Markova; musicality and an unerring sense of style. One could not hope for the exquisite presence of Markova herself again—that clarity in step, and the beautiful way a phrase could aspire, then melt deliciously into a pause before the dance took off again, used to be traditional *Sylphides* waltz, uniquely here—the choreographic text looks clean and fresh in impulse, and it lies happily on the music.

Markova studied *Les Sylphides* intensively with Fokine in New York in 1941; and as she observes in her "night's programme." "In the programme note, after years of dancing the work—I saw the ballet clearly for the first time." The clarity of image has been transmitted to Festival's artists: I admired very much the interpretation of Eva Honesty that makes the physical *Sylphides* in the mazurka and the penultimate waltz; she drifts, and is borne on performance.

CLEMENT CRISP

EUROPEAN NEWS

French general strike called

BY DAVID CURRY

Concern on EEC coal policy

The European Community coal producers' organisation yesterday expressed concern in a London meeting at lack of progress towards adopting a policy to ensure that European industry can contribute fully to the region's energy supplies by the mid-1980s...

IN WHAT one of their leaders is describing as "action without precedent in 20 years," the four most powerful French unions have called a general strike in both private and public sectors for May 24.

Doubts about the completeness of the action contemplated disappeared this morning when the moderate and relatively apolitical Force Ouvriere (FO), whose strength is concentrated in the official bureaucracy, decided to join the strike called by the three militant unions...

The participation of the FO, which is unlikely to play a leading role in the marches and demonstrations which will accompany the protest, is nonetheless a blow to the Government...

erate record, the leaders of the other unions have said that they want to force the Government to negotiate and to change its approach to the economic crisis rather than to topple it.

cent for the CFDT and 10 per cent for FO. The dominant in the industrial sector over the CFDT, though latter has emerged as the union in the banking and finance field...

M. Bergeron himself has recently established closer links with M. Francois Mitterrand, Socialist leader. Not only has he been under constant pressure for action from his more militant supporters but he is also anxious to make sure that, if the Left does come to power in 1978, it will not regard the highly politicised CGT and CFDT as privileged partners at the cost of the FO.

The CGT—whose leader is M. Maire, has warned Georges Seguy who emphasised the unprecedented nature of the action—has about 40 per cent of the unionised workforce under its banner against 20-25 per cent for the CFDT and 10 per cent for FO.

The CFDT leader, Jean-Louis Pons, has warned of the danger of strikes in the capital. He has also warned of the danger of strikes in the capital.



PUBLIC LAW CREDIT INSTITUTION

Reserve Funds (Bank and Special Credit Sections) as of December 31, 1976, Lire 266,071,384,602

Statement of Accounts at end 1976

On April 27th, 1977 the Board of Directors approved the Balance Sheet as at December 31st, 1976 of the Bank and its Special Credit Sections after listening to the reports of the Chairman, Mr. O. Vazzoli, and the Chief Executive and General Manager, Mr. G. Cresti, respectively dealing with the economic topics of 1976 and the bank's activity during the year under review.

Table with 3 columns: 1975, 1976, INCREASE %. Rows include Deposits and Bonds, Cashier's Cheques, Sundry Deposits, Reserve Funds, TOTAL FUNDS AVAILABLE, Loans, Central Bank, Correspondent Banks, Sundry Investments, TOTAL LOANS AND INVESTMENTS, Contra Accounts.

The Bank's aggregate net profit for 1976 amounts to Lire 6,404,539,545 half of which is appropriated to the reserve funds that rise to Lire 266,071,384,602, and the remaining half to charities, welfare, etc. in compliance with the provisions with the Bank's charter.

Polish challenge

Human rights campaigners challenged the Polish authorities yesterday to explain the death in Cracow on May 7 of a student who helped to organise a protest campaign against alleged police brutality, UPI reports from Warsaw.

Fiat strike over

Production in the Fiat factory of Rivalta was fully resumed yesterday after 22 workers, whose wildcat strike had halted activities in the painting division leading to the lay-offs of 4,500 workers on Monday, suspended their action, AP-DJ reports from Turin.

Swiss surplus

The Swiss National Bank said yesterday that first estimates of the country's 1976 current account balance of payments surplus put it around Sw.Frs. 6,500, in 1975, Renter reports from Zurich.

Comecon debts

In the feature on Comecon debts published on Page 32 on May 5, the table was erroneously attributed to Richard Pipes. The figures were in fact prepared by Richard Pipes of Birkbeck College, University of London.

THE OECD

Between unions and multinationals

BY A. H. HERMANN, LEGAL CORRESPONDENT

RELUCTANTLY, the OECD and was subsequently declared in Sweden and Germany. Committee on International Enterprises (IIME) is becoming a forum if not for settlement of disputes between multinational firms and trade unions.

and was subsequently declared in Sweden and Germany. Committee on International Enterprises (IIME) is becoming a forum if not for settlement of disputes between multinational firms and trade unions.

Refused

The IIME refused to deal with this specific dispute but agreed to take up the fundamental question of responsibility of foreign parent for its local subsidiary.

The guidelines provide that member countries should establish appropriate review and consultation procedures and use appropriate international mechanisms, including arbitration, to facilitate the settlement of disputes arising between enterprises and member countries.

The guidelines provide that member countries should establish appropriate review and consultation procedures and use appropriate international mechanisms, including arbitration, to facilitate the settlement of disputes arising between enterprises and member countries.

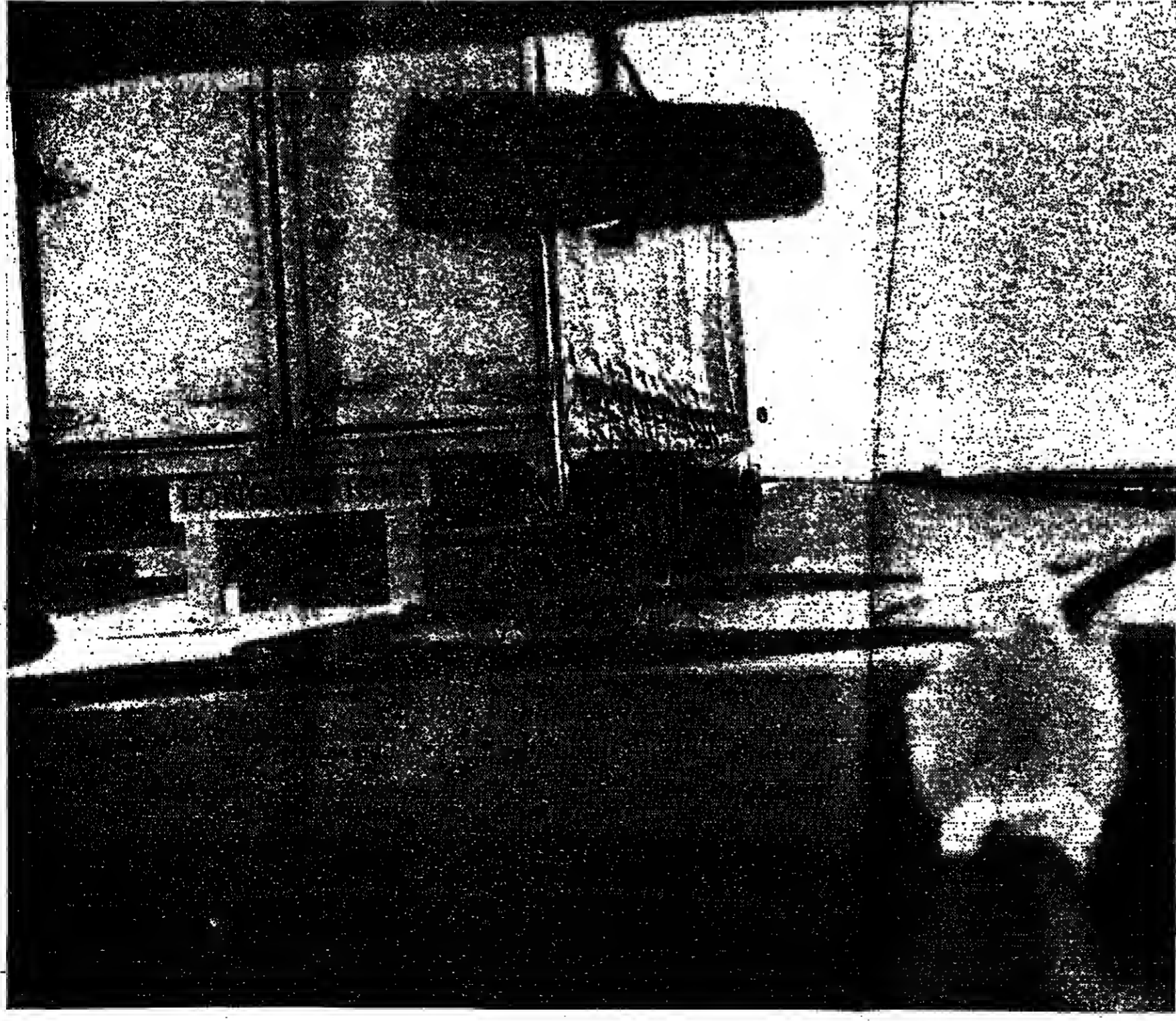
Delayed

Hertz defended its action with reference to the EEC Treaty guarantee of free movement of workers within the Community, but this argument proved to be a delayed action bomb.

The second case, which attracted some attention recently, concerns 241 employees of Rader-Belgium, an affiliate of the U.S. company of the same name. The Belgian Company, which closed down in January

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Advertisement for Port La Galeri on the Riviera. Features: International people are discreetly choosing PORT LA GALERI on the Riviera. A unique village perfectly sited. In 60 acres of fragrant pine-lands and gardens on the sea's edge looking out over the Bay of Cannes. The property includes 2 club houses, 2 swimming pools, several beaches, a 180-berth private harbour. Fishing, sailing, water skiing, diving and many other sports are available. And with many other services for a carefree and leisurely life.

Advertisement for Commonwealth of Australia. Title: Commonwealth of Australia. Subtitle: Fifteen Year 6 1/2% Bonds Due June 15, 1982. Text: NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by redemption on June 15, 1977 at 100% of the principal amount thereof through operation of Sinking Fund, \$170,000 principal amount of said Bonds bearing the following numbers: [List of bond numbers].

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Joy 10 1550

EUROPEAN NEWS

Nuclear transport heightened by Euratom

Philip Rawstorne STRASBOURG, May 10 WEST German companies are urged to speed up the transport of nuclear fuel...

Bonn likes Carter better as contacts reduce tension

THE WEST German government is congratulating itself on its improved relations with the U.S. President Carter...

Jenkins' reassurance on EEC summit role

By Reginald Dale, European Editor MR. ROY JENKINS, President of the EEC Commission, reassured the Community's smaller countries yesterday...

East German dissidents fear a crackdown after Belgrade talks

PROMINENT East German opponents of the Government's rigid cultural policy are growing signs that it is preparing to crack down on them after next month's Belgrade meeting...

Irish defiance on fish likely

DUBLIN, May 10. IRELAND was expected to reject an EEC directive which would have allowed the EEC to set a 50-mile limit...

Poll shows Suarez leading field

SR. ADOLFO SUAREZ, the Spanish Prime Minister, and his political ally, the Union of the Democratic Centre, are shown to be leading the field for the June 15 general elections...

SAS seeks court backing for lock-out

SCANDINAVIAN AIRLINES day" from the strike which the Swedish Labour Court to approve an immediate lock-out against its cabin staff...

Communists in France unveil economic plan

PARIS, May 10. THE FRENCH Communist party today announced details of its latest proposals for the financing of the common Government Programme of the Left...

Table with 2 columns: Period, Sales, Ordinary Profit, Profit after Tax, Profit per share. Rows for 31.1.1977 and 31.1.1976.

MoneyBuilder builds your savings at 8.25% = 12.69% You can make regular monthly savings from £1 to £30...

ALLIANCE BUILDING SOCIETY Let's get together, the Alliance and you. Assets exceed £1,000 million

Joergensen in mediation bid COPENHAGEN, May 10. MR. ANKER JOERGENSEN, the Danish Prime Minister, will intervene directly tomorrow in a three-month printers' dispute...

The extra ordinary Marina. There are 12 Marinas, saloons and estates from 1275cc to 1798cc. Every model makes the very most of its engine. Just one example: a Marina 1.8 saloon takes just 8.2 seconds to accelerate from 30 to 50mph...

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OVERSEAS NEWS

Assad cautiously hopeful after talks with Carter

OUR FOREIGN STAFF

SIDNEY HAREZ, Assad's spokesman, departed for Berno yesterday from Geneva having expressed cautious optimism about the latest U.S. peace initiative...

Eritrean group denies it may accept Soviet aid

BY OUR OWN CORRESPONDENT KHARTOUM, May 10.

ERITREAN Popular Liberation Front (EPLF) has categorically denied reports that it is considering making an agreement with the Ethiopian government...

Young arrives in Abidjan

ABIDJAN, May 10.

ANDREW Young, the U.S. ambassador to the United States of South Africa, arrived here today from Washington to begin a 12-day tour...

Fukuda says USSR may join N-study

TOKYO, May 10.

MR. TAKEO Fukuda, the Japanese Prime Minister, says the Soviet Union will be invited to participate in the international study group on nuclear non-proliferation...

Indian state election dates set

NEW DELHI, May 10.

ELECTIONS to the legislature of at least 11 Indian states and three union territories will be held between June 10 and June 14...

CONSULTATIVE GROUP MEETS IN PARIS

Egypt faces its creditors

BY ANTONY McDERMOTT

THE first meeting of the Consultative Group for the Arab Republic of Egypt opens in Paris today. Since Egypt asked the World Bank last year to form this advisory group it has taken some time to gather these 20 or so delegates...

Part of the reason for the delay in holding the meeting has been the reluctance of Saudi Arabia, Kuwait, Qatar and the UAE who form the Gulf Organisation for the Development of Egypt with \$2bn. capital to formulate their attitude towards investment in Egypt...

and international prices goes. The World Bank has produced an analysis of Egypt's Economic Prospects and External Capital Requirements in which it indicates how it thinks the economy should be run...

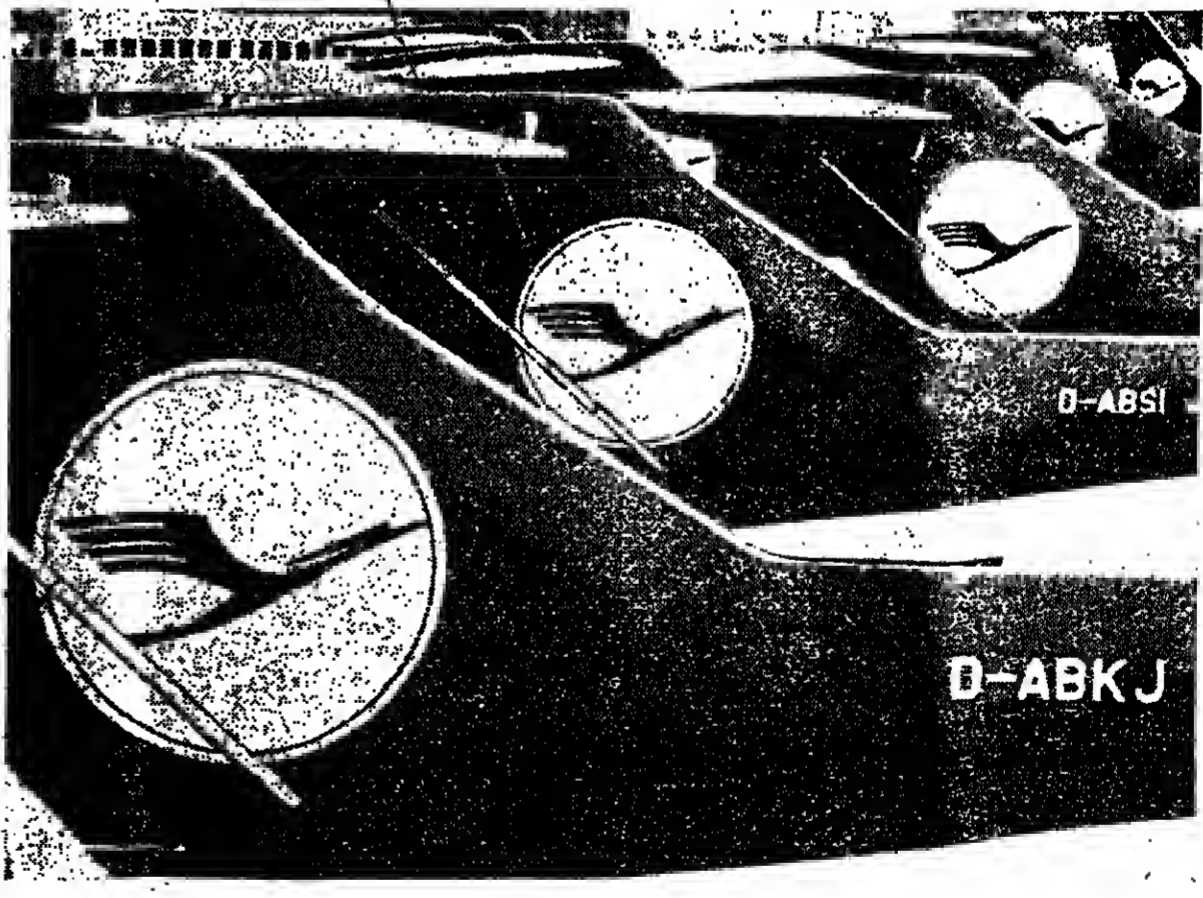
The Egyptian Deputy Prime Minister will not appear before a tribunal as a recidivist in order to be given one more chance to reform himself through the rescheduling of debts.

As part of moves to amend the Foreign Investment Law, the Cabinet has approved plans to allow investment to enter the country at the parallel market rate of around 10 piastres to the dollar. Previously it had been brought in at the official rate of 38 piastres and exported at the lower rate...

Officials insist that this meeting will be exploratory, and that Dr. Abdul Monem Kaissouy, the Deputy Prime Minister for Economic and Financial Affairs, will not be in Paris to appear before a tribunal as a recidivist in order to be given one more chance to reform himself through the rescheduling of debts...

The Egyptian Deputy Prime Minister will not appear before a tribunal as a recidivist in order to be given one more chance to reform himself through the rescheduling of debts.

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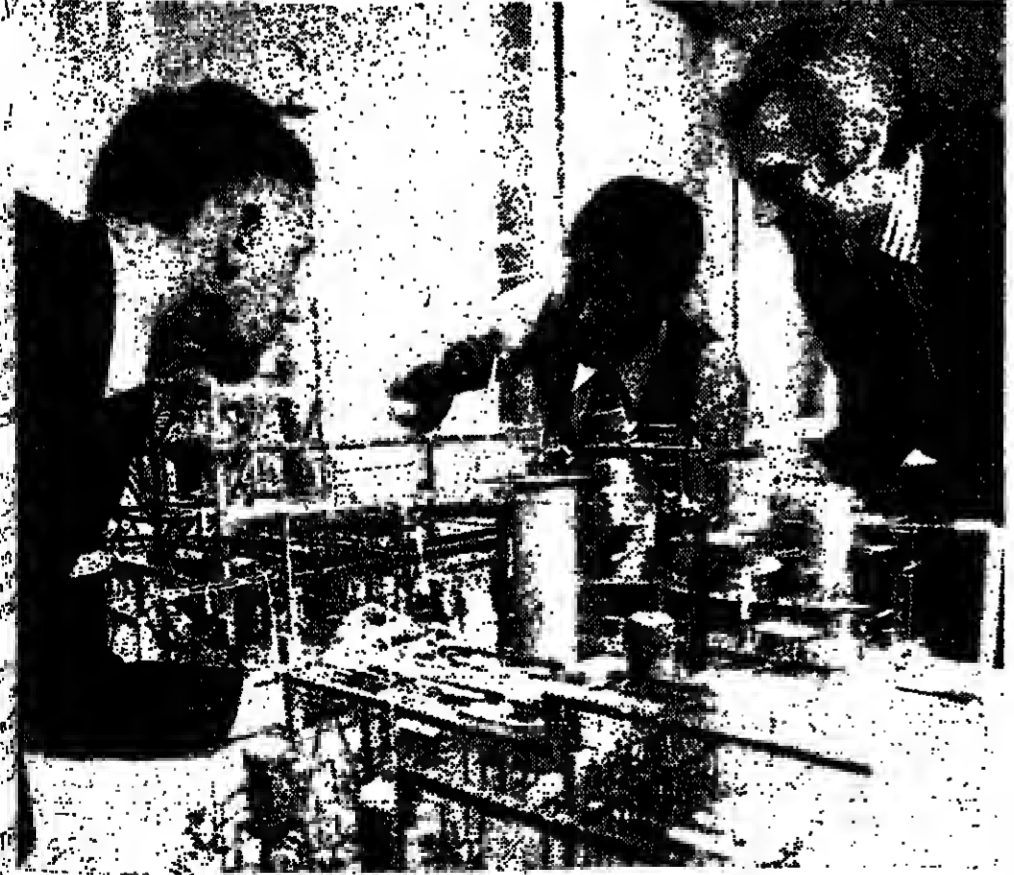


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New PETROCHEMICAL INDUSTRIES in the making...



Many Third World countries which have the necessary natural resources are now beginning to develop petrochemical industries. Governments of these countries are actively engaged in planning for the time when they will become exporters of petrochemicals...

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WORLD TRADE NEWS

Shift in US cargo policy could ease tanker surplus

BY ROY ROGERS, SHIPPING CORRESPONDENT

A SUBSTANTIAL reduction in the world-wide tanker surplus could follow if the U.S. adopts modifications to its controversial cargo preference proposals which are now under consideration.

This was disclosed here yesterday by Mr. Robert Blackwell, assistant secretary for Maritime Affairs at the U.S. Department of Commerce.

Speaking at the Nor-Shipping seminar here, he said that the U.S. Administration was considering the possibility of buying foreign-built vessels to boost the U.S. oil tanker fleet to levels suggested in a Bill being sponsored by Congressman John Murphy.

Mr. Murphy's Bill calls for U.S.-built tankers to be used to increase the share of American oil imports carried in U.S.-flag ships from the present level of around 3 per cent. to 30 per cent.

Call for more scrapping

BY FAY GJESTER

LARGE-SCALE scrapping of old tanker tonnage offers the only hope of restoring balance between supply and demand on the world's glutted tanker market, within a reasonable time, Mr. Erling Naess, chairman of the International Association of Independent Tanker Owners (IANTO), said here.

Speaking at a dinner held in connection with the Nor-Shipping '77 exhibition, Mr. Naess said governments which wanted to safeguard jobs in their shipbuilding industries should encourage the yards to "scrap for stock" instead of building for stock.

"And if they argue that scrapping doesn't provide so many jobs as building, my reply is—then scrap even more ships," Mr. Naess declared.

Building for stock could only prolong the crisis, but it was hard to get politicians to understand this, Norway could earmark some of its development aid to set up scrapping yards in

Soviet denial on fleet growth

Financial Times Reporter

A FORTHRIGHT denial that there are political motives behind the continuing expansion in the Russian merchant shipping fleet came yesterday from Mr. Igor Averin, head of foreign relations at Russia's Ministry of Merchant Marine.

Speaking at the Nor-Shipping seminar in Oslo, Mr. Averin attacked Western shipping interests and marine publications for suggesting the Russians were hatching plots to "capture" world sea routes.

He went on to give figures showing that the Russian share of world merchant tonnage actually dropped from 4.5 per cent. in 1972 to 3.8 per cent. last year while flag of convenience fleets had increased their share from 20.7 per cent. to 26.5 per cent. over the same period.

"So one may judge for himself who is capturing world sea routes and how such an aim can possibly be imputed to Soviet shipowners," he added.

Italians urged to reduce imports

BY PAUL BETTS

OSLO, May 10. WITH THE country's widening balance of trade deficit which increased from L2,333bn. in 1975 to L5,402bn. last year, Sig. Rinaldo Ossola, the Italian Foreign Trade Minister, has now launched a "buy Italian" campaign modelled on Britain's "buy British" and President Giscard's "achetez Français" initiatives.

Sig. Ossola, who launched the campaign during a lecture at Rome University, said that after oil, the country's biggest single import bill involved the purchase of foreign cars. Italy spent L2,000bn. last year on buying foreign cars, more than it spent for its meat imports, the Minister pointed out, adding that two foreign cars imported effectively represented the loss of one Italian job.

Sig. Ossola claimed that increasingly Italians bought foreign-made cars simply because of snobbery. "If we were to reduce these imports by only a quarter, we would have saved a sum equal to the recent IMF's \$530m. loan to Italy."

Imports of luxury goods represent about 15,000bn. (about £330m.) of Italy's trade deficit last year. The country, in fact, has lost at a time when the Government is urging austerity: the savoury distinction of being

Italians urged to reduce imports

ROMIE, May 10.

the largest consumer of Scotch whisky in Europe and the second single biggest importer in the world. In the first quarter of this year, Italy spent nearly \$5m. on Scotch whisky while last year it imported some \$20m. of alcoholic beverages from Britain.

The country is also the highest single importer of orchids, the second largest foreign market for Rolls-Royce cars with more than 70 last year and 83 already on order this year. Italy is also one of the biggest importers of fur.

To complete the picture, Italy last year spent L13bn. on French champagne, L7bn. for cognac, L50m. for oysters, L700m. for salmon, L180m. for lobsters, and L500m. for snails. It spent L87bn. last year on imported perfume and cosmetics.

● Anglo-Italian trade last year, according to recently published figures, was worth nearly £2bn. compared to £1.4bn. the previous year, but left Britain with a sizeable deficit of some £280m. There has, in effect, been a marked deterioration on the British side since 1970 when trade was virtually level between the two countries. Apart from whisky, Britain's main exports to Italy include machinery, chemical products and textiles.

Japan's African success

BY CHARLES SMITH

TOKYO, May 10.

NIGERIA is emerging as an important market for Japanese plant exports despite the fact that it has not yet opened up to now its exports to Japan have been minimal. This development could signify a new Japanese thrust into developing markets.

The first of what looks like being an impressive series of Japanese export corps in Nigeria was outlined when Marubeni Corporation, in association with Sumitomo Electric, was awarded a ¥500m. telecommunications contract last December by the Nigerian Ministry of Communications.

This was followed, in March, by news that Chiyoda Chemical Engineering and C. Itoh and Company were to be awarded a ¥100m. contract to build an oil refinery in Kaduna, most recently of all members of a Japanese railway building consortium which includes Mitsui and Company, Kanemitsu-Gosho and Kajima Corporation have been expressing confidence that they will win a ¥300m. to ¥350m. contract for the number one "working area" of Nigeria's new railway project.

These contracts could be followed by others judging by the confidence with which Marubeni, for example, speaks of projects "in the pipeline." In any event, Japan appears to be making a major breakthrough into a market in which it quite modestly participated in the past. Japan's exports to Nigeria in fiscal year 1976 were worth about \$870m. or slightly more than 1 per cent. of its total exports. Imports from Nigeria by contrast were a mere \$39m.

Japanese exports have started to pay attention to Nigeria for so long as the first is that Nigeria appears in have ample funds available to pay cash for even very large plant import contracts, an extremely important point given the scarcity of Ex-Imbank funds available for financing Japan's rapidly rising plant exports.

The second point is that Japan, unlike most of the Arab oil producers which are also in the market for large plant imports, has a big population. Japan feels that this provides a guarantee of economic development and of future diversified markets for Japanese products.

It also means, according to some of the trade companies involved, that the Nigerians are better able to provide skilled workers to help execute Japanese plant contracts than most Middle Eastern countries.

The importance of Nigeria's ample cash reserves is evident from the financial arrangements for recent Japanese plant export contracts.

The Nigerians will be paying in cash both for the Marubeni telecommunications equipment and for the Chiyoda chemical oil refinery. In the case of the railway project the Japanese expect from 30 to 70 per cent. of the foreign exchange value of the contract to be paid for in cash, with the remainder to be covered by bank loans or supplier credit.

Japan's success in Nigeria is original target of \$12m. but will probably rise to \$20m. or more in the previous year. Japan will probably try again to achieve the \$12m. figure in 1977.

ICI project scrapped

BY OUR ROME CORRESPONDENT

ROME, May 10. THE MILAN-BASED chemicals conglomerate, Montedison, today announced that its joint venture with ICI involving the construction of an antine plant at Priolo, in Sicily, has fallen through.

The decision to scrap the \$27m. project—foreseen in the Financial Times last week—follows the continued refusal of the local Sicilian authorities to grant the necessary licences for the proposed 100,000-tonnes a year antine plant.

ICI and Montedison had decided to set up the joint 50-50 venture back in 1974. Later,

ICI project scrapped

ROME, May 10.

however, ICI, which was to have provided the technology and know-how for the plant, had expressed growing concern over the prolonged deadlock with the local authorities.

According to Montedison, the decision to scrap the project was taken because the long drawn-out delay had made the proposed plant no longer an economic proposition. The delay, the company said, had allowed international competitors to penetrate the antine market to the extent that the Priolo plant was now no longer a viable investment.

Tunnel work awarded to consortium

HONG KONG, May 10.

The Hong Kong Government has awarded the main HK\$150m. construction contract for the HK\$280m. Aberdeen Tunnel here to a joint Hong Kong-European consortium, the Aberdeen Tunnel Joint Venture.

The consortium comprises Gammon (Hong Kong), SIE Francaise d'Entreprises de Dragages et de Travaux Publics, Hochtief and Svenska Entreprenad.

The tunnel, passing from one side to the other of Hong Kong Island, is expected to open to traffic by the end of 1980.

The Aberdeen Tunnel is the first to be driven on Hong Kong Island and is the most ambitious highway construction project ever awarded by the Government of the Crown Colony.

The two kilometre (1.3 mile) two-tube tunnel will provide a three-minute express link on a route which now requires nearly an hour.

A Public Works Department spokesman said the tunnelling would take about 3½ years and it was expected to open to traffic by the end of 1980. The tunnel is expected to handle 2,400 vehicles an hour, providing swift north-south access through the heart of Hong Kong.

Hong Kong mission visit

BY DAVID HOUSEGO, ASIA CORRESPONDENT

AN APPEAL to British shipbuilders to be more creative in their approach in order to capture more orders was made yesterday by Mr. David Newbigging, chairman of Jardine Matheson, who is heading a buying mission from Hong Kong organised by the Hong Kong Chamber of Commerce.

The mission includes a group of senior representatives from Hong Kong shipping companies—numbering between three quarters of the 40m. tons tonnage which make the island the fifth largest shipowning community in the world. It is the first time that a group of such stature has visited Britain.

Mr. Newbigging said that though they did not expect to make any outright purchases, there were plentiful funds available for British shipbuilding firms.

He told a Press conference in London that members of the group had come armed with matching bids from Japanese yards and that two Japanese shipbuilding companies were arriving in London today on the chance that the group's visit heralded new orders.

Citing this as an example of Japanese initiative to find found in Britain, he urged British shipbuilders to be more creative in design and financing arrangements.

The mission of 22, which includes senior executives from Hong Kong Department stores saw Mr. Edward Dell, Secretary of State for Trade, and Mr. Gerald Kaufman.

At a dinner last night in Hong Kong, Mr. Dell called on Hong Kong's "increasingly successful" exports to Britain.

"Exporting shoals of small-value consignments, we find ECGD world wide cover is vital"

"You can't sell overseas from an armchair, and we have people constantly travelling all over the world seeking orders in highly competitive markets. As a result, we send a large number of under-£10,000 consignments to well over 5,000 customers"

"In our enthusiasm for expansion, we still need to ensure that we are dealing with financially-sound buyers. And this is where ECGD comes in. In many cases we can go ahead and be covered by ECGD on our own credit information—but for bigger orders with new buyers ECGD's vetting is a must!"

Mr. D. J. Allday is Managing Director of A. E. Auto Parts Ltd., Bradford. Currently, the company is marketing overseas well over £20 million worth of automotive parts annually—two-thirds of its turnover.

- ECGD insures from contract or shipment dates. Cover is offered for contracts in sterling or other approved currencies for:
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- For full details call at your local ECGD office.



To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference FTM—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swales, Information Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel: 01-606 6699, Extn. 258).

Japan to sell steel to China

CHINA has agreed in principle to buy about 2m. tonnes of steel products from Japan for shipment in the first half (April to September) of this fiscal year.

Nippon Steel Corporation said the basic agreement emerged from negotiations between a visiting Chinese buying mission and Japanese steel mills in progress here since late March, it said.

The negotiations are now in the final stage and a final contract is likely to be concluded in the near future, it said.

NSC said Japanese steel mills are expected to sell almost the same amount of steel goods to China in the second half of fiscal 1977, bringing the annual export total to 4m. tonnes or more. Chinese demand for steel is fast growing, in connection with the fifth five-year economic plan, which started last year.

Taiwan exports

Taiwan's Industrial Development Bureau expects the country's exports of electronic products to rise to \$950m. this year from \$602m. in 1976, and to reach \$2.2bn. by 1981, the Central News Agency reported.

The agency said the bureau forecast colour television sets and medium and high quality audio equipment will be the major exports.

NatWest in Canada

NatWest Canada, a wholly owned subsidiary of National Westminster Bank, officially opens its Vancouver Marketing Office today. The new office provides a marketing base to cover British Columbia and Alberta for NatWest Canada.

Algerian plant

Concurrent with site preparation under way at Bethoua, in Arzew, Algeria, for construction of a billion-cubic-foot-a-day liquified natural gas facility, Pullman Kellogg has committed in excess of \$100m. for major equipment for the facility, being designed, engineered, procured and constructed by Pullman Kellogg for Enterprise Nationale Sonatrach. Algeria's oil and gas agency, Pullman Kellogg said that commitments for main exchangers, compressors, boilers and storage tanks have been made.

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Now Iran Air have flights to New York every day except Sunday.

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Then you can take the exclusive 'Worldport' helicopter right to the heart of Manhattan.

From June 1st, we'll be offering this special service every day. For details, or to make reservations, see your travel agent.

The world's fastest growing airline.

Two hemispheres

On the international trail this month, The Banker visits Chicago—financial centre of the bustling Midwest and vantage point for economists feeling America's pulse, and two European capitals, Frankfurt and Luxembourg. Deputy editor Carol Parker looks at what makes Luxembourg so attractive for international bankers, and elicits the do's and don'ts of banking there in an interview with Banking Control Commissioner Pierre Jaurès. From further afield, The Banker's editor Robin Fringet reports from Tokyo on Euroyen, the growing problem, and the money issues heading a crowded agenda in Japan today.

The Banking Year

The Banker's annual round-up of profits and prospects in the world's major banking sectors. Banks and banking activities outside the big league of international leaders get a airing this time round with articles on the ambitions of savings and co-operative banks.

Muck and money

The companies getting their hands dirty in the arduous work of pumping oil from the North Sea are going to be bankers in the next generation of oil fields developed. A special report features new forms of oil finance; the bankers and oil geologists behind them; and the doings of BNO, Britain's official oil entrepreneur in the North Sea.

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Photograph: Gus Wylie

Now, here's a Grade A idea.

The egg is one of Nature's better notions. This carton is one of man's. It cushions eggs from farm to grocer to fridge; and if one of them should crack, the goo won't drip through the carton bottom. It's water resistant.

Water resistant because it's made from a combination of the wax taken out of crude oil in one of the early-refining steps, and paper pulp. Egg cartons constructed of this wax-pulp mixture are inexpensive, lightweight and highly protective. And, importantly, they put to good use a by-product of oil that might otherwise be thrown away. When you're

dealing with a resource as valuable as oil is nowadays, it simply makes good sense to use every bit of it you can. So we're always on the lookout for ideas that put more of the oil to work. (For years oil has been the key ingredient in many cosmetics, pharmaceuticals, petrochemicals, and dozens of household items you and your family use every day).

We turn out several thousand tons of wax a year at our Birkenhead Wax-Emulsion Plant. Some of it goes to our good customer Hartmann Fibre, of Great Yarmouth, to make egg cartons like the one in the photo. Producing the wax for egg cartons is just one

of dozens of activities in which we are involved after nearly 100 years of doing business in Britain. As you probably know we're also a leading petrol marketer; a leading supplier of marine lubricants; a leader in aviation fuels and lubricants; and one of the important participants in the North Sea oil search. Our parent organisation is one of the half-dozen largest industrial companies in the world.

This is a business built on imagination, innovation, the willingness to take chances, and the ability to spot good ideas when they come along. Using our wax in egg cartons was a Grade A notion.

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Make a positive contribution to the Silver Jubilee:

leave the country.

You hardly need further reminding that this is Silver Jubilee Year.

But long after the fanfares are over and the bunting has been taken down, what will it all have achieved?

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By publishing an extensive survey on British Exports on Friday, June 3rd, the FT will be taking the opportunity to re-appraise the export performance of British Industry.

It will be a timely and in-depth analysis of the aims and achievements of our exporters on a wide variety of fronts (as the editorial synopsis below shows).

And it will also do an important job of promoting these achievements to a wide and influential audience, both at home and abroad.

If your company is among the 1,400 already participating in Export Year, you must have a success story or two to tell.

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Besides contributing to the good news about British business, it could also help win you more orders.

Which is just what everyone needs to make this a year to remember with pride.

FINANCIAL TIMES
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A FINANCIAL TIMES SURVEY

British Exports - June 3*, 1977

Editorial Synopsis

Introduction

The British as exporters: the role of UK companies in world trade; the increase in exports achieved over the past decade; opportunities open to British exporters: a comparison with other countries in percentage of GDP going into exports; share of world trade.

The life of the exporter

An account of how the export salesman goes about his business; what kind of person he is; brief profiles of six people in the sharp end of exporting, some UK-based, some stationed overseas.

How export orders are won

Case studies of six major export contracts won by UK companies in the past year; who were the people involved, how was the business won, what was the foreign competition, why did the customer choose a UK supplier?

The changing pattern

Which industries have increased exports faster than others? Changes in the destination of exports.

Invisible exports

The importance of "invisibles" to Britain's trade; the role of banking, insurance and other City sectors.

The big exporter

The role of the big companies: the importance of exports in their sales and profit growth; how have they achieved their strong position and are they maintaining it?

The small exporter

The continuing importance of small companies in the UK's export effort; their special problems; the help available to them from larger companies, from trade associations and from the Government.

Profitability of exports

The effect of changing exchange rates in making exports more attractive; in the past exports were often regarded as marginal business that had to be supported by a profitable home market—how far has this attitude changed?

Foreign-owned companies

The large contribution made by foreign-owned companies in the UK's export performance; the need to encourage more inward investment; advantages enjoyed by multinationals in selling their UK-made products to associated companies overseas.

Overseas investment

The need for many companies to support their direct exports with investment in the markets; what choice is there between exports and overseas investment? The role of acquisitions of foreign companies in stimulating sales from the UK.

Financing of exports

What credit terms are offered and how is the finance obtained? The alternative methods of financing export contracts.

The role of ECGD

How good a service does it provide? How does it compare with comparable institutions in other countries? Is it too commercial or not commercial enough? Recent moves to extend the assistance the ECGD can provide; the question of cost escalation insurance.

Jumbo contracts

The growing importance of the very large package deal in the Middle East and elsewhere; the special financial and management problems these deals involve; steps being taken to increase the UK's share of this business.

Government assistance

The role of the British Overseas Trade Board; is it effective and can it be made more so? The commercial role of British embassies overseas.

The management of exports

What is the best way of handling exports within a company? The differing approaches used by major exporters; the case for and against an international division; the training of export salesmen.

Britain's Export Markets

Western Europe
Can it be treated as a single market? The role of the European Commission in opening up public markets; distribution methods.

Eastern Europe

The role of the state trading organisations; factors needed for success; the importance of reciprocal purchases; the need for technical assistance.

The Middle East

The most dynamic market now available; how is the oil wealth being spent; participation in large infrastructure projects; the importance of local partners.

Africa

The continuing importance of South Africa; the new demands of Black Africa; assistance with industrialisation; the problems of "Africanisation."

The Far East

The potential of the Japanese market; problems of distribution in Japan; the growth of South Korea; other Far East markets.

Australasia

Despite declining importance of Commonwealth trade Australia and New Zealand continue to be very large customers; growing competition from non-British suppliers, especially Japan; protection of local domestic manufacturers.

North America

The biggest and most demanding "advanced" market; traditional exports like Scotch whisky and wool textiles; the outlook for car exports; methods of distribution.

South America

A neglected market; opportunities in Brazil, Argentina and Mexico; the problems posed by protection of local industries.

*Advertising copy date May 25, 1977.

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

July 10 1977

Joy 15/50

POINTMENTS

Senior changes in Weir Group

Forrest T. Randall has been named managing director of PACIFIC VALVES. Mr. Randall continues as non-executive chairman and in addition will be responsible to Mr. E. Young, group managing director, for special projects for the group. Mr. R. M. Murray has become a director of Weir Industrial and Marine on the succession to Mr. M. He was formerly the group's director of international operations.

Ernest Woods has been named managing director of IAN MOSS AND SONS, following the retirement of Mr. Tom Wood. Mr. Woods will be responsible for the company's international operations, situated at Lewod.

H. M. Scahill has joined USS TURNBULL AND CO. as a broker and will be closely involved with portfolio management. He was previously a director of Guinness Mahon and Westwood is chairman of the parent concern Dunbe-Cornwall.

Mr. D. P. Alchamach has been appointed a departmental director of CHANDLER BARGRAVES WHITTALL AND CO. Mr. C. Liddell and Mr. A. Miller have been made assistant directors.

Mr. A. E. Johnson has been appointed managing director and Mr. Colin Ashby, national sales manager of BEL ENTERPRISE NATIONAL (U.K.).

Mr. J. I. Anderson has retired from the Board of the SCOTTISH WIDOWS FUND AND LIFE ASSURANCE SOCIETY.

Dr. I. E. Kimberley, managing director of West's Pyro, has joined the Board of West's Pyrochem. Mr. R. E. Blunt, managing director of West's Pyrochem has joined the Board of West's Pyro. Both companies are members of the WGI GROUP.

Mr. M. M. Ord Johnstone, chairman of the TOBACCO ADVISORY COMMITTEE since 1967, will be retiring this autumn but will remain a consultant on European Communities. Sir James Wilson is to join the committee on July 1 with a view to taking over the chairmanship. Sir James retires from the Army next month.

Mr. R. E. Holland has been appointed chief general manager of the PEAL ASSURANCE COMPANY. Mr. R. Younger is now general manager (field operations) and Mr. T. W. Lewis general manager (personnel and administration).

Mr. William Bell has been appointed assistant vice-president of the FIRST NATIONAL BANK year. He will succeed Lord M. who has decided to resign as chairman at the end of the year by which time he will have held 24 years in office.

Mr. George Atkinson has been elected chairman of TEACHERS' ASSURANCE.

Mr. V. G. Sampson has been appointed sales director of the electronics and instruments division of BELL AND HOWELL.

Mr. P. M. Curtis has been elected deputy managing director of L. H. MENZIES AND CO. for responsible for product development policy.

Mr. John Ford is joining the Board of DOV PROGRESS, a subsidiary of Allied Polymer VICES. Mr. Dennis Turner has joined the Board and can be general manager responsible for English deposits. Mr. Leo, who holds a corresponding responsibility for Scottish deposits, has been appointed a HOLIDAY FIRMS (U.K.) INCORPORATED as operations director, and Mr. David George as a district sales director. Lord director.

London Clearing Banks' balances

as at April 20, 1977

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding		Change on month	
	£m.	£m.	£m.	£m.
Total deposits	25,852	24,320	+1,532	+1,532
Cash and balances with Bank of England	1,180	1,180	+97	+97
Market loans:				
U.K. banks and discount market	2,946	2,946	+96	+96
Other	254	254	-7	-7
Total	3,200	3,200	+89	+89
Other foreign currency assets*	5,774	5,774	+145	+145
Total liabilities	35,252	33,374	+1,878	+1,878

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

LIABILITIES	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLENS	
	Outstanding	Change	Outstanding	Change	Outstanding	Change	Outstanding	Change	Outstanding	Change	Outstanding	Change
Total deposits	25,852	+676	12,486	+189	5,602	+20	9,104	+181	13,653	+258	1,577	+36
ASSETS												
Cash and balances with Bank of England	1,180	+97	380	+44	181	+4	340	+27	301	+26	20	-3
Market loans:												
U.K. banks and discount market	2,946	+96	2,305	-79	2,455	-80	1,533	-159	3,185	-38	213	+6
Other	254	-7	2,068	+2	2,900	-21	1,290	+126	2,454	+125	200	-1
Total	3,200	+89	4,373	+21	5,355	-101	2,823	+103	5,639	+113	413	+5
Other foreign currency assets*	5,774	+145	7,146	+106	3,660	-15	5,170	+48	7,124	+9	880	-

TABLE 3. CREDIT CONTROL INFORMATION

Eligible liabilities	19,905	+306	6,460	+147	2,067	+53	4,239	+126	5,445	+126	674	+42
Reserve assets	2,663	+97	871	+21	418	+15	554	+17	722	+39	88	+5
Reserve ratio (%)	13.4	+0.2	13.5	-	13.6	+0.3	13.1	-	13.4	+0.4	13.1	-0.1

TABLE 4. CREDIT CONTROL INFORMATION

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Banking figures

(as table 9 in Bank of England Quarterly Bulletin) ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

	April 20, 1977	Change on month
Eligible liabilities		
U.K. banks		
London clearing banks	20,025	+496
Scottish clearing banks	2,175	+65
Northern Ireland banks	687	+9
Accepting houses	1,776	+7
Other	5,725	+224
Overseas banks		
American banks	3,205	+10
Japanese banks	238	-19
Other overseas banks	1,850	+69
Consortium banks	166	+20
Total eligible liabilities*	35,846	+870
Reserve assets		
U.K. banks		
London clearing banks	2,679	+93
Scottish clearing banks	293	+9
Northern Ireland banks	102	+3
Accepting houses	281	+7
Other	832	+34
Overseas banks		
American banks	468	+28
Japanese banks	37	-
Other overseas banks	317	+21
Consortium banks	69	+31
Total reserve assets	5,077	+226
Ratios %		
U.K. banks		
London clearing banks	13.4	+0.2
Scottish clearing banks	13.3	+0.1
Northern Ireland banks	14.9	+0.3
Accepting houses	15.8	+0.3
Other	14.5	-
Overseas banks		
Americo banks	14.6	+0.8
Japanese banks	15.4	+1.0
Other overseas banks	17.1	+0.5
Consortium banks	41.7	+15.5
Combined ratio	14.2	+0.3

Constitution of total reserve assets
 Balances with Bank of England 354 +24
 Money at call:
 Discount market 1,999 +13
 Other 142 -67
 Tax reserve certificates -
 U.K., Northern Ireland Treasury Bills 1,307 +250
 Other bills:
 Local authority 83 +18
 Commercial 613 +8
 British Government stocks with one year or less to final maturity 599 -20
 Other -
Total reserve assets **5,077 +226**

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to 151 +47

2—Finance houses
 Eligible liabilities 313 +6
 Reserve assets 269 +0.4
 Ratio (%) 11.8 -0.1

Special deposits at April 20 were £1,021m. (up £1m.) for banks and £9m. (unchanged) for finance houses. * Interest-bearing eligible liabilities were £28,907m. (up £158m.).

Soon, a new electronic device could help stop you from running into the vehicle in front. In broad daylight, as well as thick fog.

This fog is a real pea-souper. You're having a job to see the road ahead. Suddenly, a red light on your dashboard starts flashing. Simultaneously, you hear an intermittent warning signal. You now know that there is another vehicle ahead - a potential danger, under these weather conditions. Within a short time, the warning signal changes to a continuous high-pitched note. You brake. You know you must, because the collision warning system is telling you that the unseen vehicle in front has drastically reduced speed. Throughout this whole process, the warning unit's aerial has been receiving and transmitting 250,000 microwave impulses every second. A computer has been continuously comparing your speed with that of the vehicle in front, and has judged the safe distance to be maintained between you. It has also taken into consideration your reaction time, and the condition - wet or dry - of the road surface.

Helpful in good weather, too. Most accidents involving a vehicle running into the back of the one in front don't happen in fog, but in clear weather. That's precisely when your personal radar set can prove invaluable. It prevents you from misjudging the distance between yourself and the vehicle ahead; and warns you if you have failed to notice that it has braked. So it can be a great help if you are in one of those endless motorway traffic streams, when it's all too easy to let your concentration lapse.

This safety system isn't on the market as yet. It has to be improved and, very important, made less expensive.

Bosch and AEG/Telefunken are working together on this project, sponsored by the German Federal Ministry of Research and Technology.

There's more to Bosch than you think: Your car engine almost certainly has some Bosch parts; and it may well be tested by Bosch equipment at its next service.

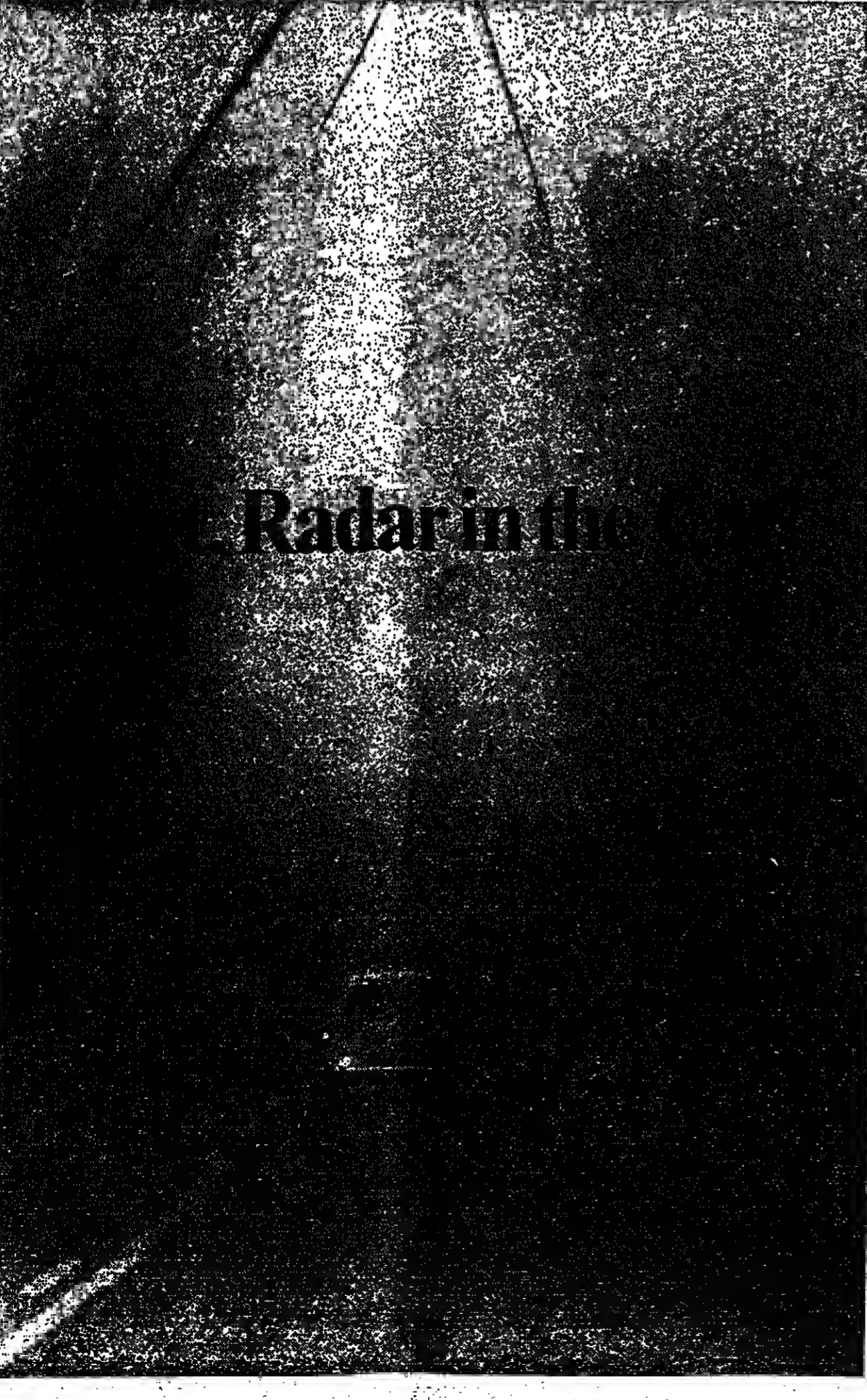
Many of the goods people buy in their supermarkets have been packed with machines produced by Bosch. These provisions may be stored in a Bosch refrigerator or freezer in a Bosch kitchen.

Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

Bosch electric power tools are at work on construction sites world-wide. Bathrooms and kitchens are equipped with Bosch fittings and built-in units. Deep-cooled blood stored in many European hospital blood-banks is restored to body temperature with Bosch medical equipment.

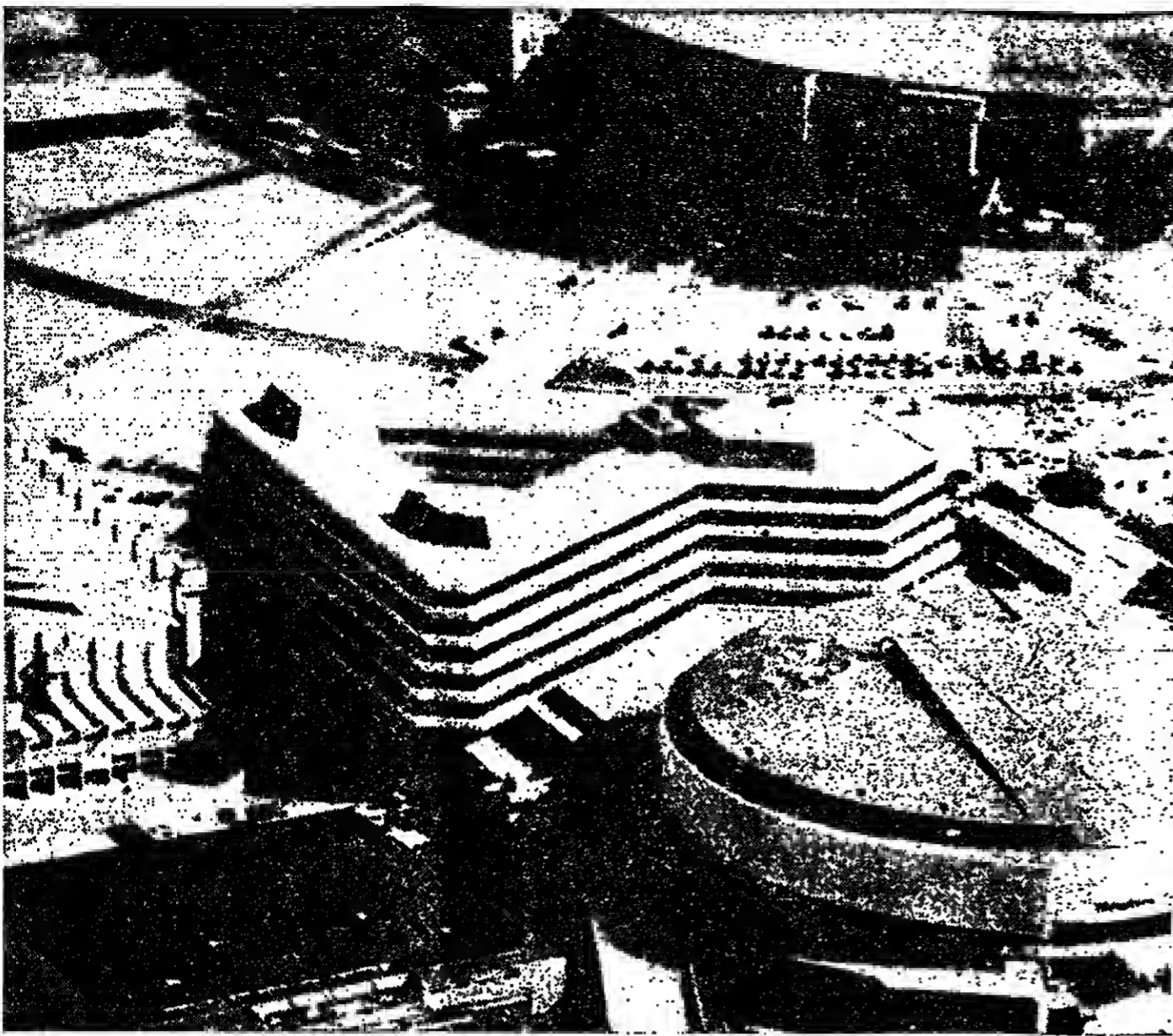
Bosch employs 5,700 people in research and development alone. Bosch have at present 10,000 patents throughout the world, with 15,000 pending.

Robert Bosch Limited, Watford, Hertfordshire



Radar in the fog

BOSCH



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It was a move whose time had come in our growth and development. In fact, we're planning an immediate increase in personnel of 25%.

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Kellogg International Corporation

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Bigger East European stake in Soviet space programme

BY LESLIE COLITT

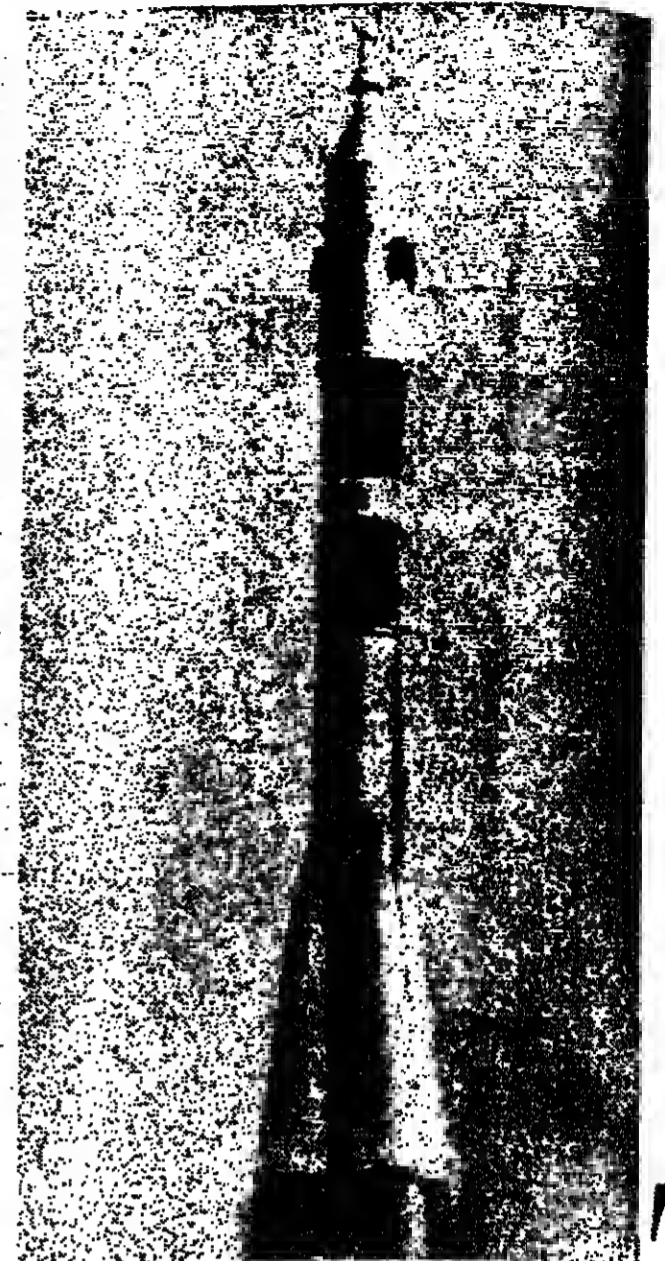
THE SOVIET UNION is preparing a series of space spectacles in which East European cosmonauts will be placed in orbit to become the first non-Soviets and non-Americans launched into the space era. The East Europeans are to take part in orbital flights starting at the end of next year and thus will easily upstage Western Europe, which will not have a man in space until July 15, 1980, when NASA's space shuttle propels a Western European into orbit for seven days in the European-built Spacelab.

Cosmonauts-to-be from East Germany, Poland and Czechoslovakia have been undergoing training at "Star City" space centre near Moscow since early this year and are being joined by other East Europeans as well as Mongolians and Cubans. Physical qualifications are reported to be tougher for the East Europeans than they will be for the West Europeans whose selection for the Spacelab flight got under way only this past week-end when advertisements appeared in major European newspapers.

The 18-month training period for the East Europeans who will become mission specialists is a condensed version of the five-year period required of a Soviet spacecraft commandant. It is sufficient, though, to allow them to carry out a few experiments in a Soyuz capsule for eight to ten days. By the time a few East Europeans have stolen the show to outer space, it is calculated here, the launching of a West European in Spacelab will have the impact of the proverbial wet noodle on viewers and readers in the West.

But whether or not this relatively inexpensive space event is really likely to detract from the far more advanced Spacelab in the eyes of most Westerners, there are already signs of rivalry among the Communist countries. Polish newspaper accounts speak of the "future Polish cosmonaut" as being the first to arrive for training at Star City, hinting that he will also be the first non-Soviet European in space. The Soviet Union, however, has three other plans, as East Germany has contributed most in both funds and technology to the ten-year-old Interskosmos Programme in which the Comecon countries have participated to varying degrees.

The GDR made its strongest contribution in last September's Soyuz 22 flight, when an East German multispectral camera built by Carl Zeiss Jena carried out photo reconnaissance of the earth's surface. East German reports note that the Soviets set



Blast-off for the rocket sending the Soviet Soyuz-15 craft in space last September.

very tough standards for the camera and that a working model of it completed in December 1975 was turned down by Soviet experts for being 25 per cent. too heavy. The completed camera is judged by Harro Zimmer, head of West Berlin's Observatory, to be on a level with a similar West German camera in 1969 which was used in the American space programme.

Soviet space experts are said to be extremely exacting in their demands on sub-contractors in East Europe. The Soviets inform them of the size and weight requirements and the East Germans then build a module with the electronics in it which is then tested by the Soviets. Research, development and testing are all paid for by the East Europeans, who frequently have to purchase Western equipment to test the components destined for the Soviet spacecraft. Another anomaly of the relationship is that the Comecon allies of the Soviet Union have developed expensive equipment for Soviet research satellites that produce information which the East Europeans were getting free of charge from American satellites.

While Poland and Czechoslovakia deliver substantial amounts of electronics to the Soviet Soyuz capsules, East Germany produced a unified tele-metric system and has developed an on-board transmitter which won out over a model from another Comecon country. Czechoslovakia is making its first major contribution in the present phase of the Interskosmos series by providing a Soviet satellite with laser corner reflectors.

As for Mongolia and Cuba, their role in Interskosmos is not that of a source of technology but, instead, stems from the fact that the Cuban capital and Soviet tracking stations located on their territory. Havana has an important tracking station and Soviet tracking ships lie off the coast of the Cuban capital. Similarly, an Intersputnik ground station has been built in Ulaan-Bator, the Mongolian capital.

Cuba and Mongolia, as developing countries, are said to get the Soviet stations free of charge but the East Europeans may all have to finance their own order to be linked together by the new communications system of the socialist countries.

The Intersputnik communications network has been the subject of much grumbling by Moscow's allies, who have been buying a closed circuit system for the Communist world that provides no links with the West. The orbiting of the Soviet "stationary" equatorial satellite at least now brings the eastern system up to the technical standards of Intelsat in the West.

Romania has not joined the far more room for experiment. This will put pressure on East Europeans to offer advanced and expensive technology and this is where first non-Soviet, East-Euro in space comes in.

Allowing an East-European share a satellite with a cosmonaut at the controls relatively cheap way to morale in other Comecon tries. It also encourages Europe to part with more and scientific resources in future, allowing the Russian spread the growing costs of space programme.

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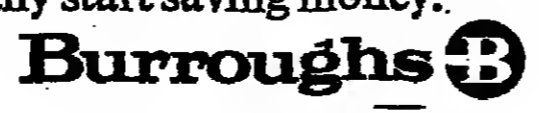
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HOME NEWS

Bakers given clean bill by Commission

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

NO MAJOR changes to the structure of the bread industry are believed to have been recommended by the Monopolies Commission after its four-year study of the market. The report, which has now been completed, is expected to be published before the summer recess in August.

During the investigation, the Commission unearthed details of unregistered restrictive practices operated by the major bakers. This discovery alone could be said to have justified the original reference to the Commission. But since then, the Commission is not believed to have found anything of real substance to criticise in the industry.

It may, however, be mildly critical of some of the bakers' activities and recommend some minor changes. It will no doubt censure the manufacturers for having operated unregistered collusive agreements.

In general, Commission members have been believed to have shared the industry's own view that most of the existing constraints on competition in bread manufacturing are the inevitable result of Government intervention.

The bakers, for example, tend to make disproportionate amounts on millings which is free of Government intervention—compared with bread, which is subject to various controls.

The bakers, who have not yet seen the Commission's report, have never denied that a monopoly, as defined by the Fair Trading Act, existed in the bread industry.

The three biggest groups—Associated British Foods, RHM and Spillers-French—have around two-thirds of the total sales which were estimated to be worth £450m. a year in 1975.

Price limit

What they have argued, however, is that the Government has done far more to restrict sales than the bakers themselves. Bread, which was studied by the old Prices and Incomes Board in 1970, has been the subject of a Government subsidy since 1973.

After the introduction of this subsidy, the Government then imposed a maximum retail price on bread together with ceilings on the size of discount the bakers could give their customers.

Soon after taking over as Secretary for Prices last year, Mr. Roy Hattersley, removed this discount ceiling much to the fury of the bakers and their van drivers, and replaced it with a new statutory system of linking the maximum retail price to the size of discount the retailer received from his supplier.

The industry's resentment was demonstrated yesterday at the annual lunch of the Bakers' Federation when Mr. Theo Curtis, the federation's chairman, accused the Government of contributing to a disastrous decline in the bread industry's fortunes.

He said that bread manufacturing was a "beleaguered industry" which was fighting for its survival.

The combination of the "extraordinary somersault" turned by the Price Commission, when it refused to allow the bakers to include the higher cost of trade discount in their applications for higher prices, together with the Government's actions on discounts had, Mr. Curtis said, "caused the gravest concern."

It had done nothing to generate confidence in the proposed new system of price controls, he warned.



A troop of Royal Canadian Mounted Police accompanied Mr. Paul Martin, the Canadian High Commissioner, in the City of London when he presented greetings to Sir Robin Gilllett, Lord Mayor of London. The troop is on a seven-week tour to mark the Silver Jubilee.

Treasury evidence to Wilson inquiry

BY MARGARET REID

WITNESSES from the Treasury and the Department of Industry are being invited to be first to give evidence to Sir Harold Wilson's committee on financial institutions at a meeting fixed for June 28.

The subject will be supply of finance for industry, the topic being given priority by the committee in view of the sluggish recent rate of capital outlays in industry and the importance widely attached to the matter in the interests of boosting employment.

The Treasury is being asked meanwhile to provide a further paper to the committee giving its appraisal of the adequacy of the existing system for provision of finance for industry.

It has already supplied a factual paper describing the general flow of funds in the economy, by sectors, in the past 20 years, and jointly with the Department of Industry has put in a paper about present arrangements for financing investment.

Frigg Field pact will raise price of natural gas

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS is expected to raise higher prices for Frigg Field gas after a decision on geographical division of reserves, expected to be ratified by the Government later this month.

The field, which should supply large volumes of natural gas to the British grid this autumn, straddles the U.K.-Norwegian median line. Initial estimates suggested that the field was almost equally split between the two sectors, but new studies have shown that about 80 per cent lies in Norwegian waters. British Gas will pay more for the Norwegian portion of Frigg gas, raising the overall price for new supplies. Frigg is expected to produce up to 1.5m. cubic feet a day to provide the next stage of the natural gas expansion programme.

Mr. Johan Holte, chief executive of Norsk Hydro, with one-third stake in the Norwegian sector of the field, said the redrawn boundary would make an important difference to the company's profit forecast for the discovery. Other companies involved are Aquitaine, Elf, Statoil, and Total in the Norwegian sector and Total, Elf and Aquitaine in the U.K.

Details of the Frigg price agreement work of the Norwegian secret Mr. Holte said that they were at prices normally higher than those for European standards. It is believed that as British Gas is the monopoly buyer of natural gas produced in the U.K. sector, it has been able to negotiate a lower price for "British" gas.

Norsk Hydro, which has a 50 per cent interest in each of the recent well blow-outs on platform Bravo would be the cost of a minor strike, one of its aluminium plants. Mr. Holte said that costs were covered in budgeted allowances for unforeseen costs, but damage to the platform as a result of the blow-out has suffered in the past.

Production from Frigg is 160,000 to 170,000 barrels a day against 380,000-800,000 barrels the blow-out, Mr. Holte said. The maximum production, estimated at 850,000 to 750,000, should be reached in three or four years. Little remained of the oil. Much spillage had broken up in the sea. "We are sure that Norwegian authorities will act in a very real way and will not stop development work of the Norwegian shelf."

Appeal to councils over minorities

FINANCIAL TIMES REPORTER

LOCAL authorities should encourage the growth of "viable minority communities" on their council estates, the Community Relations Commission said in a report published yesterday.

The report is one of a number which the commission is publishing in some haste before it is wound up on June 13, when the new Commission for Racial Equality will take over.

Some of the reports, therefore, seem to contradict one another. One published by the commission on Monday pointed out that black immigrants tended to be crowded together on the poorer, older and less developed estates. Yesterday's report was concerned about the arguments between concentration of minority races in small areas as against their dispersal. It saw some value in the growth of ethnic communities inside the better-off native housing estates for two reasons:

Firstly, minority ethnic groups value the support and amenities available from their own community in multi-racial areas; and, secondly, there is no evidence from our survey that dispersal reduces the hostility felt by white residents towards black people.

Housing Choice and Ethnic Concentration. An Attitude Study. C 15/16 Bedford Street, WC2 9DP.

Coles to speed growth

BY KENNETH GOODING IN SUNDERLAND

COLES CRANES has taken advantage of the Government's Accelerated Projects Scheme to speed a £6m. expansion programme at its Crown Works here in Sunderland.

Coles' aim is to increase significantly its share of world trade in mobile cranes.

Mr. Peter Steel, general manager and director of Crown Works, said here yesterday the company hoped to overtake most of the U.S. and Japanese competitors and establish itself as the world's second largest producer, behind only Grove of the U.S.

The Accelerated Projects Scheme has enabled Coles to condense a five-year programme into four years.

The scheme has now been replaced by a Selective Investment Scheme, which encourages companies to bring forward planned investment.

Coles is a subsidiary of the Acrow Group, accounting for around half of Acrow's U.K. turnover and three-quarters of its exports.

It lost ground in world markets because it concentrated on diesel-electric mobile cranes at a time when the world was turning to the diesel-hydraulic types.

70-day Coles produces around 1,200 cranes a year and is in fifth place in the world league table behind Grove (2,500) Kato and Tadano of Japan (2,000 and 1,500 respectively), and P and H of the U.S. (1,300).

A major modernisation programme has started at the Crown works which accounts for 60 per cent of Coles' output. A new £1.5m. fabrication shop—the biggest in the construction equipment industry in Europe—has been installed. By 1980 the rest of the plant will have been modernised.

The idea initially is to step up production from 70 cranes a month to 100 without increasing the labour force from the present 1,700.

Mr. Steel said: "We are currently getting very stiff competition from the Americans and Japanese in particular, but in the 1980s we will be able to compete with the best of them."

He insisted there were still tremendous opportunities for Coles in many overseas markets, such as Russia, South America, the Middle East and the Far East.

London Transport to invest £30m. on underground trains

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

LONDON TRANSPORT yesterday announced orders worth £30m. for 75 underground trains to run on the District Line in 1979.

One feature of the trains, to be built by Metro-Cammell, the Birmingham Laird group subsidiary, will be push-button, passenger-operated doors. London Transport has experimented with a similar door system, in the past, but dropped it because of technical failures.

This new vote of confidence in passenger-operated powered doors also comes at a time when British Rail is hastily stripping out power-assisted handles from the stock which was used on the Great Northern electrified lines last year.

The British Rail system has apparently failed because a small number of passengers have proved themselves sufficiently strong to burst open the doors when the trains are moving.

British Rail's Eastern Region hopes that the air-pressure lock system, which is manufactured by G. D. Peters, of Slough, can be strengthened and passenger operation resumed. Meanwhile, doors on the trains are being operated by guards.

Tory plans

London Transport has been attracted to passenger-operated doors on the District Line because much of the vehicles' route will be above ground. With personally operated doors, passengers do not have to face exposure to cold, wind and rain at every station.

London Transport said last night that the old push-button system had been added on to existing trams and had suffered electrical difficulties. It was confident there would be no such problems with a purpose-built system.

The trains are designed to be operated by one man, but two-year-old negotiations with rail unions about one-man operation on both the District and Circle lines are still in deadlock over the amount drivers should be paid on the new trains.

London Transport has also been presented with an outline of its future as envisaged by its new Conservative masters at the Greater London Council.

The Conservatives plan to overhaul route plans to improve time-keeping by buses; to introduce transferable bus-tube tickets; to cut London Transport staff and restore almost 4,000 parking metres taken out by the Labour-controlled council in an effort to reduce London road congestion.

London Transport has not reacted formally to these ideas, but senior officials regard them as unrealistic and contradictory. A passage in London Transport's annual report, published a few days ago, stated bluntly that there was no case for a radical revision of bus routes. If the Conservative councillors stick to this and other demands, there is bound to be a great deal of friction.

Liverpool hopes for better port labour ties

By Ian Hargreaves

A CONTINUED improvement in labour relations will be needed this year if the Mersey Docks and Harbour Company is to consolidate advances made during 1976. Mr. John Page, chairman, says in the company's annual report.

Mr. Page, who is to leave the company in June to become chairman of the National Ports Council, says the port will be hard pressed to improve on last year's performance, when profits were recorded for the first time since 1971.

The overall profit of £4.4m. had come because of economies and rationalisation, combined with much improved labour relations. Only 5,460 man-days were lost through disputes last year, compared with 6,400 in 1976 and 64,000 in 1973.

Trade, excluding petroleum in bulk, increased by 5 per cent. over the year, leading to a trading surplus of £5.2m., a turnaround of £9m. from the previous year.

Mr. Page says prospects for 1977 are better than they were for 1976 only in that the company now has one good year behind it.

He warns that with losses of £15m. between 1970 and 1976, there can be no let up, especially on the industrial relations side. Liverpool was poorly placed geographically and the dubious state of steel and sugar industries in the area added to the port's problems.

In view of these factors, made worse by the loss of oil traffic since the opening of Shell's Anglesey terminal, expansion of business in 1977 would be difficult.

Tougher lot for managers

By C. L. Dunn

THE PRESSURE on British management from rapidly falling living standards and poor career development prospects is spelt out in the third Rewards of Management survey, published yesterday by Lloyd Incomes Research. The report analyses conditions for 4,812 directors and managers in 150 companies.

It states that management earnings in the year to March rose by 4.2 per cent, compared with an all earnings increase of 10.1 per cent, and a rise in retail prices of 15.5 per cent.

Just over a quarter of the companies surveyed did not give their management a rise at all, while of the companies that did, most management salaries, 75 per cent, conformed to the Government norm of £312 a year.

Post Office plans 750 electronic exchanges

BY MAX WILKINSON

THE POST OFFICE is to install 750 new electronic telephone exchanges, twice the number in service so far, during the next five years.

Sir Edward Fennessy, deputy chairman of the Post Office, said the installation rate for electronic exchanges would be three a week. He was opening a new electronic exchange at Milton Abbas in Dorset, the 800th of its kind installed in the U.K.

The cost would be about £1m. per exchange, representing an investment of £180m. a year or £700m. over five years.

"The Post Office is funding a large proportion of this programme out of its own resources. By doing so, we do not have to borrow so much. That means we can avoid burdening our customers with the interest."

"But this can only be so if the telecommunications business is allowed to make the profits it needs. Such profits are not for some private purse."

"They are vitally necessary for the investment we must make to cater for growth and plan for the future. Everyone benefits—customers and employees."

Last week, under Government pressure, the Post Office agreed to hand back £100m. of telecommunications profits to subscribers in the form of a 27 once-off rate rebate.

The electronic exchanges are being installed to replace the traditional electro-mechanical switching systems.

However, the electronic EXE systems which the Post Office is installing are not themselves the latest in technology.

In due course they are likely to be replaced by a "digital" computer based system in which speech waves are converted to millions of "bits" for transmission. The "bits" are then reconstituted into speech by receiving apparatus.

Lloyds cuts cost of loans

LLOYDS HAS become the latest bank to reduce the interest rate on new personal loans. The new rate will depend on the repayment period, which can vary between six months and three years. On £1,000 borrowed over two years, for example, it will be 16.7 per cent, compared with 18.7 per cent. previously.

£6m. for BSC brickworks changes

BY GERRY BUTCHER

BRITISH STEEL Corporation is a secure source of silica, which is widely used in building cokes ovens, open-hearth silica roofs and high-temperature blast-furnace stoves. Silica bricks are used to withstand intensely high temperatures.

The project, known as Tempest Stage Two—will replace a major part of the moulding, drying and firing equipment at the Templetown Silica Brickworks.

Its aim is to provide BSC with part of BSC's silica brick needs. BSC can provide about 70 per cent of its raw material needs from its own quarries, but sometimes buys from a privately-owned quarry in Wales, or when demand is heavy from Sweden. Silica bricks are sometimes bought abroad.

The Tempest development starts in three months and will take two years. It follows the £2m. Stage One project, just completed, at Templetown, bringing total investment there to £8m. in four years.

The area freed by demolition of the old beehive kilns will be used to extend warehousing, while mobile units will replace rail rack cars and wheelbarrows now in use.

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The Renault 30. A car to re-awaken the driver that lurks inside all of us.



Remember your very first sports car?

Fast. Responsive. And loads of fun to drive.

But hopelessly impractical once you've progressed into bigger saloons.

Which are certainly much more comfortable, but often very boring to drive.

With one notable exception.

The Renault 30 is among the most luxurious prestigious saloons on the road.

But with a 2.7 litre V6 engine it easily puts most sports cars to shame.

Acceleration is remarkable at 0-60 in 9.7 seconds, and a top speed of over 112mph makes

cruising effortless at 70mph.

However, it's the handling as well as the performance which makes the Renault 30 such a joy to drive.

Front wheel drive and the positive but light power steering put you firmly in control behind the wheel.

And fully independent suspension gives an uncannily smooth ride, even on bumpy roads that you'd never dare to negotiate in the average two seater.

Comfort, of course, is the Renault 30's strong point.

Sumptuous seating for five adults is helped by fully reclining front seats and 56" of elbow room in the back.

Which still leaves space for a cavernous boot under the tailgate.

(You can even fold away the back seats, giving you thirty



LUGGAGE SPACE WITH THE LARGE SHELF REMOVED.

four cubic feet. More than any car in its class.)

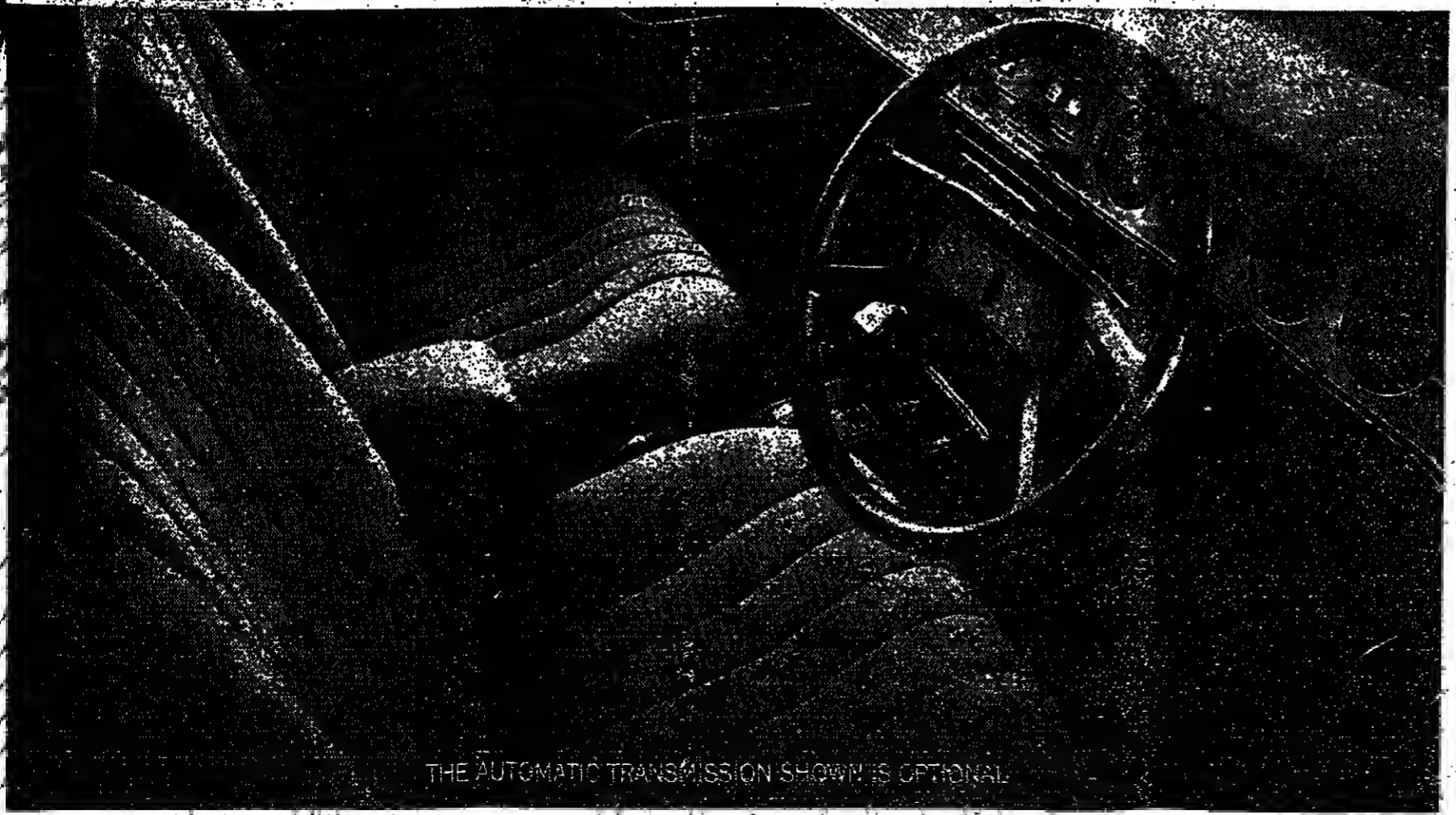
Standard fittings include a centralised door locking system, electric front windows and cigar lighters back and front.

But for all its passenger comforts, the Renault 30 is still very much a car for the driver.

And if you still yearn for those days when you raced along with the wind in your hair and the sun on your face, we do offer one consolation.

An electric sunroof as an optional extra.

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For brochure or Tax-Free export details, write to Renault Ltd., Western Avenue, London W3 0RZ. The Renault 30TS. Price £5,498.05 (correct at time of going to press) includes Car Tax, 9% VAT and front seat belts. Delivery, number plates extra. Automatic transmission, electric sun roof, black paint optional extras. Ask your dealer for details of the low rate Renault Loan and Insurance Plans. Over 375 dealers throughout the UK. West End showroom: 77 St. Martins Lane, London WC2. Renault's recommended **elfoil**

Ford takes top four places in April car sales league

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD made a clean sweep of the top four places in the U.K. car registrations league last month with the Cortina, Escort, Fiesta and Capri. The fifth model in the Ford range, the Granada, also made the top ten at number nine.

With the Vauxhall Chevette coming number five in the table, Leyland had to be content with only three cars in the top ten - the Marina, Allegro and Mini at six, seven and eight. Chrysler filled the number ten spot with the Alpine.

Leyland's poor showing last month was mainly due to the month-long toolmakers' strike which starved its dealer network of cars. But the figures, published by the Society of Motor Manufacturers and Traders yesterday, also show that Ford and Vauxhall have expanded their total unit sales during the first four months of the year, while Leyland and Chrysler have dropped back.

Ford sales have come up from 126,253 in the first four months of 1976 to 142,218 this year, and Vauxhall's from 41,683 to 55,512. By contrast, Leyland's have dropped from 133,229 last year to 117,987 and Chrysler's from 30,471 to 27,727.

An interesting feature of the Ford figures is that this overall

	U.K. CAR REGISTRATIONS April		4 months ended April	
	Unit	%	Unit	%
Ford*	35,484	31.58	34,705	29.12
British Leyland	22,007	19.59	31,688	26.58
Vauxhall*	9,907	8.82	9,402	7.89
Chrysler*	7,995	7.14	7,219	6.06
Total British	61,322	54.58	76,873	64.50
Daewoo	5,520	4.92	5,947	5.07
Peugeot	5,109	4.55	3,894	3.27
VW/Audi	5,023	4.47	4,207	3.57
Renault	4,622	4.11	4,639	3.89
Total imports†	51,028	45.42	42,305	35.50
Grand Total	112,357	100.00	119,178	100.00

* These figures include cars from the companies' Continental associates which are not included in the total British figure.

† This figure includes imports from all sources, including cars from the Continental associates of British companies.

Improvement has occurred in spite of a fall in sales of both the Escort and Cortina, its two most popular models. Cortina registrations have gone down from 51,593 in the January to April period last year to 46,563, and Escort sales from 52,584 to 38,390.

These losses were more than compensated by the Fiesta's registrations which had 18,838 registrations, and a substantial improvement in both Capri and Granada sales.

Ford continues to insist that the disappointing performance of the Escort range this year has been caused by production difficulties at its Halewood plant rather than the Fiesta biting into the traditional Escort market. U.K. car production fell back last month to 107,000 units from the 112,000 recorded in March. This was a distinct improvement on the 91,000 cars produced in February, but still short of the 115,000 in January.

The effect of this decline has been to push the seasonally-adjusted average output for the three-month period between February and April 5 per cent below the average in the previous quarter. The fall has occurred just as manufacturers believe there are good opportunities for expanding sales in the U.K. Commercial vehicle production, however, has moved up 2 per cent to a monthly average of 33,400 units in the last quarter.

Caution urged in pollution control

THERE IS a dearth of information on a national scale about the costs and benefits of measures to protect the environment, according to a Department of the Environment report out yesterday.

Consideration also needs to be given to the possible effects of adopting increasingly strict standards, the report says. The impact of these could extend beyond the economic sphere. Operating flexibility, for example, in existing industrial plants might be reduced or the capital investment available for new plants restricted.

The report warns of pressure to adopt measures which had not been adequately assessed in terms of costs and benefits. In addition, there was pressure from both home and overseas for standardisation, which conflicted with the U.K. approach. The essence of that was flexibility, allowing a fast response to new pollution hazards. The wide range of environmental control mechanisms in the U.K., ranging from outright bans to voluntary adopted codes of practice, represented a different approach from that of many other countries.



The blockage of Ballymena, Northern Ireland, where the Rev. Ian Paisley and 11 others were arrested yesterday. Farmers drove their tractors into the town on Monday as part of the Loyalist strike. Ballymena is in the centre of Mr. Paisley's Westminster constituency of Antrim North.

The report warns of pressure to adopt measures which had not been adequately assessed in terms of costs and benefits. In addition, there was pressure from both home and overseas for standardisation, which conflicted with the U.K. approach. The essence of that was flexibility, allowing a fast response to new pollution hazards. The wide range of environmental control mechanisms in the U.K., ranging from outright bans to voluntary adopted codes of practice, represented a different approach from that of many other countries.

The best security for the international establishment of standards was strengthening the scientific basis on which they were adopted.

Meanwhile, the Health and Safety Executive yesterday announced new trial limits for air contamination caused by 58 toxic substances used in factories and other work places. The substances, which include benzene and chloroform, have either not been included previously in the overall list of 600 toxic substances subject to contamination limits or have now been given new limits.

Environmental Standards - A Description of U.K. Practice. Published by HMSO, London, £1.50. Health and Safety Executive, Research House, Chestnut Place, London W2 4TF. Free.

Call to lift charges for haulage

ROAD HAULIERS must be allowed to increase charges 'very substantially', otherwise the industry as we know it would cease to exist in a few years' time, Mr. Jack Male, national chairman of the Road Haulage Association, said last night.

Speaking at the Association's annual dinner in London, Mr. Male told his audience of 1,200, including Mr. William Rodgers, Secretary for Transport, that roads subject to massive price increases. But hauliers could not recoup capital replacement costs because of limitations imposed on them by the Price Code.

The choice facing our customers and shippers is the haulage industry is either a series of closed road haulage charges increases or to let other transport modes carry the goods to shops and ports," he said.

IBA chief attacks Annan Report

THE ANNAN Report on Broadcasting was criticised last night by Sir Brian Young, director general of the Independent Broadcasting Authority.

He told the Radio Industries Club of Scotland banquet in Glasgow that the chapter on broadcasting and the public failed to analyse the problem of finding out what the public wanted. "But when you've listened, it is impossible to give a favourable response to everything they are asking to you and they will tell the Annon Committee that you disregard what is said."

"That is only another way of saying: 'The broadcasters don't do what I tell them to'."

"The Annon Committee itself is now suffering a similar fate from critics of those whose views they didn't endorse."

Burglar alarm sales down

BURGLAR ALARM sales fell slightly last year, according to figures yesterday from the National Supervisory Council for Intruder Alarms.

At 21,228 there was a drop of 2224 on the 1975 total. But the percentage of initial installations which complied with British Standard for burglar alarms improved from 34.7 per cent to 62.9 per cent.

Newage to boost output by a third

NEWAGE, the engineers, Britain's largest maker of alternators for standby generators, expects to increase output by a third this year. It is part of the Charterhouse group.

The company which exports about two-thirds of its annual production of 160,000 sets, has moved to a prime position in world markets mainly as a result of its U.K. and in France and Germany.

The company's order book is full till the end of the year, and will rise to £7m.

Ironically, Newage has difficulty in meeting orders because of trade union resistance earlier this year to the company's attempts to take on more men.

Among the moves already made about 30 per cent of the plant is statistically under used.

Synthetics likely to outsell cotton

BY RHYS DAVID, TEXTILE CORRESPONDENT

WORLD CONSUMPTION of synthetic fibres is likely to overtake cotton, the world's leading fibre, from the mid-1980s onwards, ICI is predicting.

The forecast was made yesterday at a conference on synthetic textiles at the Shirley Institute in Manchester by Dr. Brian Smith, chairman of ICI Fibres, who forecast a 4 per cent share of the world fibre market for polyester, the fast growing synthetic, by 1980.

By the mid-1980s, Dr. Smith claimed, the synthetic - polyester, nylon and acrylic - will account for more than 30m tonnes of fibre, or roughly the same as cotton. Most of the remainder will be made by viscose, where a continuing decline is expected, and by wool.

Cost advantages

The synthetics are expected to continue their advance largely because of cost advantages. Dr. Smith pointed out that polyester

has been cheaper than wool since the mid-60s, and cheaper than cotton in the United States since 1972 and in Western Europe since last year.

"The present price differential between polyester and cotton is likely to be reversed on any permanent basis. Rising prices for oil and energy will force polyester prices up, but the pressures on cotton and wool will also become more intense due to constraints on their availability," he said. A continuation or even widening of the current differential between the polyester and cotton price currently in the ratio of 0.7:1 in polyester's favour compared with 2:1 against ten years ago is forecast.

Dr. Smith pointed to new market opportunities where the polyester producers will be seeking to broaden their penetration of the textile market beyond well established areas such as woven blends and knitted goods. "Major opportunities lie in the domestic field such as upholstery and carpets where polyester's properties have so far not matched up to those offered by other fibres, and we cannot expect a greater impetus to be directed into these areas," he said.

Man-made fibre producers are already engaged, he pointed out, in trying to re-establish the restrictive filament market, one of the major casualties of the past three years, on a more stable basis. Among the moves already made are the development of fine fibres, and the challenge now will be to develop low-cost yarns with aesthetics close to those achieved by using staple fibre. Dr. Smith said.

Volume growth in total world fibre demand is put at around 2 to 3 per cent, for the foreseeable future, compared with around 5 per cent per year over the last 25 years. A major factor affecting the industry's future prospects in Europe is likely to be the growth of polyester production in less developed areas. Less than 10 per cent of polyester was being produced outside

LABOUR NEWS

Talks may start soon to end THF strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE PROSPECT of a top-level meeting with Sir Charles Forte to sort out the bitter strikes currently disrupting the entertainment and leisure chain was held out yesterday by Mr. Jack Jones, general secretary of the Transport and General Workers Union.

The peace initiative met with an immediate response from Sir Charles, who offered to meet Mr. Jones "wherever and whenever he likes."

Mr. Jones, on a visit to a dairy conference in Birmingham, said he could hardly believe Sir Charles would not "wish to resolve the problems reasonably and in a civilised way."

He thought it "rather outrageous" that TGWU members had been sacked on recognition issues at the Randolph Hotel, Oxford, the Grosvenor, Sheffield, and the Night Out theatre restaurant, Birmingham.

The disputes, which have provoked bitter scenes on the picket lines, have dragged on for several months. They are the result of a TGWU campaign to recruit workers in the hotel and catering industry.

The major stumbling block to any meeting between Sir Charles and Mr. Jones could be whether the union leader makes it a precondition that staff dismissed yesterday by Mr. Alan Law, the union's regional secretary organising action against Trust Houses Forte.

Mr. Jones made it clear when he met a deputation of staff from the Night Out in Birmingham yesterday that the union wanted reinstatement of a waitress sacked for alleged rude behaviour to customers. Once the status quo had been restored, the union would open discussions or put the issue to independent arbitration, he said.

The sacking in mid-February provoked a strike by 18 other staff, a picket of the restaurant, and extensive "blacking" by lorry drivers of Forte establishments throughout the Midlands.

Mrs. Janet Thomas, representing 317 staff who voted not to join the TGWU, urged Mr. Jones to end the "bullying tactics" employed by Mr. Alan Law, the union's regional secretary organising action against Trust Houses Forte.

NALGO leader may join NEDC

By Christian Tyler, Labour Staff

MR. GEOFFREY DRAIN, general secretary of the National and Local Government Officers' Association, is understood to be a front-runner for a place among the six top TUC negotiators who deal directly with Ministers on the economy and the social contract.

He would replace Sir Dan McGarvey, president of the Bolemakers Amalgamation, who died two weeks ago, as one of the TUC members on the National Economic Development Council - the so-called "Neddy Six."

In terms of seniority, Mr. Drain is well down the list behind such secretaries as Mr. George Smith of the building union UCATT, Mr. Tom Jackson of the Post Office Workers or Mr. Alan Fisher of the Public Employees.

But Mr. Drain is now the fourth largest union in the country with over 625,000 members, and there is no white-collar representative on this important and powerful group of TUC leaders.

Mr. Drain, who is 56, was elected to the TUC general council only four years ago when he became NALGO general secretary in succession to Mr. Walter Anderson.

An active Labour Party man who once embarked on the road to general secretaryship of the Government's public sector, Mr. Drain is generally counted among the moderates. But under his leadership NALGO has become a much more active, even militant, union and Mr. Drain has been outspoken in his criticism of the Government's public sector cuts.

The other members of the Neddy Six are Mr. Len Murray, TUC general secretary, Lord Allen of the shopworkers, Mr. Jack Jones of the Transport Workers, Mr. Hugh Scanlon of the Engineers, and Mr. David Bevan of the General and Municipal Workers.

A decision on Sir Dan McGarvey's successor is not expected for another two weeks.

Think again on phase three, Varley tells AUEW

BY ALAN PIKE AND CHRISTIAN TYLER

AN APPEAL to the Amalgamated Union of Engineering Workers to think again about its decision to oppose a third phase of pay policy was delivered by Mr. Eric Varley, Industry Secretary, yesterday.

It came the day after secret discussions between TUC leaders and the Chancellor of the Exchequer on Monday night, which Mr. Hugh Scanlon, AUEW president, travelled up to London to attend.

The meeting, appears to have been a sounding out, since both the TUC and Government have now accepted that it would be pointless to negotiate agreement on a phase three income policy ahead of a union conference of decisions, especially those of the Transport Workers and Miners early in July.

Mr. Varley emphasised yesterday that in his view, the policy must continue after phase two expires in July.

He told delegates to the union's annual conference that without agreement for a third year, "inflation will get worse, industry will suffer, jobs will be lost and we shall all be worse off."

"If the AUEW did not support the continuation of the policy, he added, that was its right, and there would be no confrontation. But this was not the way the Government works. Without the support, present difficulties would be multiplied."

"I genuinely believe it is in our interests to try to come to an arrangement on a phase three."

The AUEW's dominant engineering section national committee last week voted by 50 votes to two in favour of an immediate return to free collective bargaining, when phase two ends on July 31.

Prospects of any change in this union's position rests on the possibility of a recalled meeting when the outcome of negotiations between the Government and the TUC are known.

In an effort to persuade the AUEW delegates that there are grounds for thinking again, Mr. Varley identified the fight against inflation, job preservation and maintenance of industrial investment as areas at risk without a detailed package of measures. After outlining areas of policy which he believed the Government had acted in the interests of the union movement and working people, Mr. Varley declared:

"The Government must stay in office. We must keep faith with our supporters and I think our supporters must keep faith with the Government."

The Government and unions could not do without each other and must go forward together. The alternative - too horrible to contemplate - was the most Right-wing Conservative party of the century with the most Right-wing leader at its head.

It is expected that the AUEW executive will announce to-day whether it intends to table last week's engineering section resolution for discussion at this week's conference.

Although the conference could not constitutionally reverse the decision, Mr. Scanlon is looking for guidance on how he should present the policy of the amalgamated union in the coming months.

The conference yesterday expressed itself "gravely concerned" at the present level of unemployment. It demanded a detailed package of measures, including a shorter working week and elimination of overtime, selective import controls, and Government action to raise consumption and reduce interest rates.

Strike will close schools

BY OUR LABOUR STAFF

STRIKE WILL CLOSE SCHOOLS. The National Union of Public Employees said schools throughout London will be closed to-day because of its one-day strike against public expenditure cuts. Caretakers and canteen staff are expected to be absent and many of the hospital's hospitals will be reduced to an emergency-only service.

Railway guards at Brighton have called a day of industrial strike over rosters which started on Monday. The dispute disrupted services on the Brighton-London line.

TUC rules on rival white-collar unions

BY OUR LABOUR STAFF

A BATTLE between white-collar unions competing for the potentially lucrative prize of membership growth in the aerospace and shipbuilding industries has taken a new twist with a ruling by the TUC general council that only existing unions in both industries can recruit new members.

A circular to all affiliated unions from Mr. Len Murray, TUC general secretary, says that "in the interests of good industrial relations the proliferation of unions should be avoided, and organising activities and recognition within staff grades should be restricted to those unions affiliated to the Confederation of Shipbuilding and Engineering Unions which are already in the shipbuilding and aerospace industries."

The ruling would be a major blow to the aspirations of the Engineers' and Managers' Association and the Ambellia, a new union formed out of the Electrical and Power Engineers' Association to recruit middle managers, which is not a member of the Confederation, to recruit extensively among the non-unionised management staff in aerospace and shipbuilding.

In particular, the EMA had hoped to merge with existing staff associations - especially the Shipbuilding and Allied Industries Management Association (SAIMA) - to give it a broad base for its recruitment campaign.

Hopes of talks to end harvester strike

BY OUR LABOUR STAFF

UNION-MANAGEMENT talks may be held this week to try to settle the eight-week strike of more than 1,100 engineering workers which has closed Masey-Ferguson's Kilmarlock combine harvester factory in Scotland.

The dispute is over the demand of 125 additional line workers for higher piecework earnings. The men are supported by their 980 AUEW colleagues.

The factory entrance has been picketed so intensively that management and the 350 staff have been unable to gain access to their offices since the middle of last week.

The company said yesterday that it was prepared to meet union officials providing peaceful picketing was resumed and staff allowed into the plant. If this is agreed, talks could be held to-day or later this week.

Notice of Redemption

Dow Corning Overseas Capital Company N.V.
8 1/2 PER CENT. GUARANTEED DEBENTURES DUE 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 15, 1971 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn for redemption on June 15, 1977 through the operation of the Mandatory Redemption Provision of the said Indenture, \$1,000,000 principal amount of Debentures of the said issue, bearing the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT

24	1309	2311	2628	4751	5028	7065	8288	9443	10223	11728	12027	14283	15364	16878	17642	18220
43	1227	2224	2628	4751	5028	7065	8288	9443	10223	11728	12027	14283	15364	16878	17642	18220
97	1274	2224	2628	4751	5028	7065	8288	9443	10223	11728	12027	14283	15364	16878	17642	18220
98	1274	2224	2628	4751	5028	7065	8288	9443	10223	11728	12027	14283	15364	16878	17642	18220
102	1411	2442	2775	4517	5117	7250	8492	9577	10468	11822	12228	14511	15622	17249	18022	18220
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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

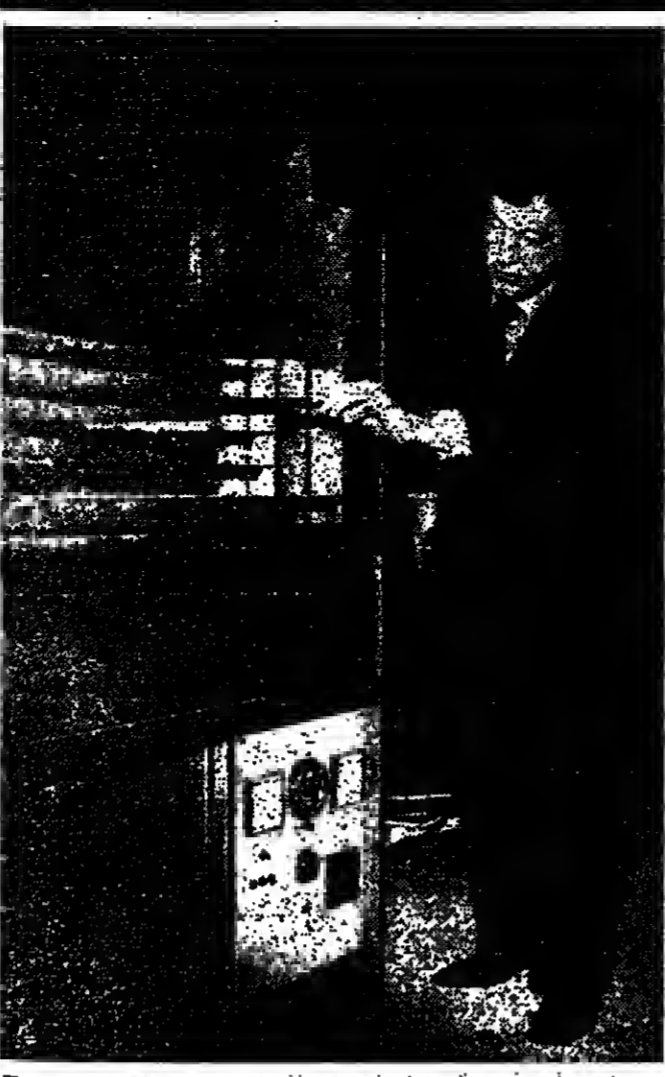
Hard coat by plasma surface treatment

PLASMA HEAT treatment cent, faster processing time, accurate and reproducible control of the hardened zone and the ability to process stainless steel and high alloy steels. In addition to these technical advantages, there are no environmental hazards or effluent disposal problems frequently associated with conventional heat treatment operations.

The company will be co-operating with the Wolfson Plasma Processing Unit which was established earlier this year by the Wolfson Foundation at Liverpool University. The role of this unit, which is directed by Dr. Tom Bell, is to work in conjunction with industry in the transfer of the plasma thermochemical experience available in West Germany and elsewhere, into the U.K. manufacturing sector.

On the basis of user experience in West Germany and Japan the U.K. plastics processing industry can benefit enormously by the plasma treatment of plastics extrusion screws and injection moulding dies for improved wear resistance. Aluminium extrusion dies also show considerably enhanced lives as a result of plasma hardening.

Carbolite Company aims to change a traditional forging operation by the introduction of a series of new slot forging furnaces. For generations, metal has been heated in gas-fired furnaces. The Carbolite SF electrically heated furnaces, the maker says, provide a better working environment through eliminating flames, fumes and noise, more economical operation through the adjustable slot, and greatly improved technical qualities through precise temperature control and a programming capability. The furnaces, contained in a case which remains cool, use no asbestos. Slot height is adjustable through a stainless steel clad door, which can be fully closed to retain heat when bars are not inserted. Easily replaceable silicon carbide heating elements ensure long life and a thermal fuse protects against overheating. A time switch enables the furnace to switch on automatically and be ready at the start of the working day. Carbolite on 04334-551.



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Calling for service

France, and permission has been sought from the P.O., where technical equipment approval is also being sought.

The service depends upon the use of a reception calling device known as a call diverter, which is mounted in the local international exchange, answers when called, and automatically dials up the actual answering number in the other country.

The call diverter is the same device used by AT and T in WATS services, a device to which Group 800 has the overseas rights.

The PTT's seem to be receptive, though they are taking their time. The reason for approval is that the device generates traffic which would not otherwise exist. Why such a system is not offered internally within the various countries remains a mystery, though a "by-product" of the PTT's work is provided by the PTT themselves.

The immediate and obvious markets seem to be similar to the better known ones to which WATS lines have been put in the States, hotel reservations, car hire, "hotline" flights and the like. However, Group 800 thinks that these are not the real long-term markets. Most of their usage so far seems to have come from the financial community with large investment dealers and brokers having local numbers in their office may well be in another country.

In the U.K., Service 800 is currently being used by Travel Trade Gazette, which has telephone numbers in Frankfurt and Zurich to deal with inquiries which are in fact then switched to and dealt with by the London office.

COMPUTING Projects make big savings

ADMINISTRATIVE costs of Government computer projects are memorable for the disasters in Britain. The Parliamentary Public Accounts Committee has stressed in the public mind the ludicrous financial aspects of the Drivers and Vehicles Licensing Centre, Swansea and certain Department of Health and Social Security experimental computer projects.

However, just as there are in Britain nearly 200 successful computer projects in Government, so there are in other countries, examples of computers that have saved money and produced a better administrative system.

The leader of the Copenhagen hospitals project, Dr. Mogens Jørgensen, recently said of his Herlev hospital project: "We know we do it better, and we know better what we do." Herlev was the first hospital in Western Europe to have a computerised patient registration system running on the day it opened.

Herlev will soon take delivery of the first 370/148 to be installed in Denmark.

The computer system is not extravagant. About 1 per cent of the budget for the country is absorbed by computer costs of all kinds. For this the five hospitals in the area have a network which covers patient registration, laboratory test data, results management and acquisition, X-ray booking schedules, intensive care units and statistical studies into medical care topics and their link with hospital management.

In Finland, the Social Insurance Institute scores by supporting an efficient pensions and sickness benefit system for Finland's 5m people. The different national systems make comparison tricky, but it appears that the administrative costs of the pension scheme are less than half the U.K.'s while the computer investment is more than five times as great as that of the U.K. in percentage terms. The Finnish and Danish examples of Health and Social Security policies tend to show that money can be spent on computers to save on administrative costs, to effect more flexible systems and to improve relations between the civil service and the citizen. The British administrative costs are around 5 per cent of the pension budget while the Finnish pension administration costs less than 3 per cent. In both the U.K. and Finland the pensions absorb about 10 per cent of the gross national product.

Both the Herlev hospital project and the Finnish SII network are basically run on medium to large IBM 370 series machines. But, both centres also use and registration, laboratory test data talk to non-IBM processors. The Helsinki based SII has Philips

Automation Tests board in seconds

NEEDING no operator skill and able to provide complete analogue and digital fault analysis down to component level on printed boards is "Trouble-shooter 400" made by the Zehnel, Corporation and introduced into this country by BFT Electronics.

The operator merely places the board on a fixture and a "bed of nails" contact matrix moves in to probe many parts of the board at once. Driven by a microprocessor the equipment then rapidly applies tests for short or open circuits, voltage values, component values and other analogue parameters. Individual values are measured by a technique called "guarding" which in effect electrically "unsolders" the tested item from others in the circuit.

Similar isolation effects are produced for digital circuit testing in which the slightest state is superimposed over the actual state for a few microseconds—just long enough for the measurements to be made. Test times are from five to 30 seconds, at the end of which a full analysis is printed out—including re-work instructions on to a socket. If required additional functional tests can be performed on a single component or an entire circuit. The machine will simultaneously apply ac or dc at one circuit point and measure voltage at any other.

Programming is quick and simple. A resident automatic program generator with floppy disc or punched tape store creates a complete test program from a list of components typed in on the keyboard. The generator learns the circuit topology making appropriate measurement decisions and compiling an operational program. This may be altered, at will, or refined at any time using a simple language and the built-in VDU.

Likely application will be where the volume of boards produced exceeds 1,000/month, particularly where only a few different types are involved. More from The Avenue, West Ealing, London W13 8NU (01 888 2113).

COMPONENTS Metal parts detector

MULLARD has announced some inductive proximity detectors for industrial control and similar applications. Able to detect the presence, absence, passage or position of metal objects, they have dimensions conforming to Cenelec publication EN50008.

The devices consist of an oscillator, detector and Schmidt trigger circuit: the oscillator coil sets up a well-defined magnetic field which, when unobstructed produces a high output from the unit. The oscillator is damped by the presence of metal and the output changes accordingly.

There are four types with detection distances starting at 1.5 mm, operating from dc (10 to 30 V) or, in one case from the mains. More about the IPD series from Mullard House, Torrington Place, London WC1E 7HD (01-580 6633).

HANDLING Controls a network

TO OBTAIN close control of its distribution network for toiletries, Elida Gibbs, Unilever health and beauty aids subsidiary which markets shampoos, soaps, toothpastes, etc., has decided to move over to a large IBM distributed data processing array based largely on Digital Equipment Company computers.

The total order is for six PDP11/70's and two PDP11/34's. Two of the first group have already been running under DEC software which allows a conversational approach in their use.

During the second half of this year, the remaining machines will be delivered and, operating under the Cincom software data-base management package known as Total, will provide the Unilever subsidiary with distributed computing, linking duplexed machines at four sites.

These include head office, two manufacturing plants and a vast 571m warehouse in the Leeds area.

This equipment will be working in a distributed mode to a new IBM 370/138 which will also run Total and Environ 1, the latter a distributed computing monitor from Cincom.

To be completed by January, this will be probably the most highly automated plant of its type in Britain. On the goods-inward side there will be a fully automated Teletrac (German) train system to convey pallets, with transfer to driver-controlled loading trucks to put the goods into the correct pallet bag for order picking.

On the ordering side, there will be two huge Ordermatic SI order picking machines by Light Handling Systems (U.S.), each able to control the operation of up to 1,500 goods slides from as many product racks in the system.

More from DEC at Digital House, Kings Road, Reading, Berks. (0734 583555).

SHIPBUILDING Less time to design a ship

USING A computer-based design service, the hull form of four container ships recently ordered by Ellerman Lines from Appleboro Shipbuilders has been produced in three days instead of the two or three weeks normally required.

Provided by the British Ship Research Association, the design service has also been used for the hull form of a 30,000 tons dry bulk carrier ordered by Consolidated Goldfields from Sunderland Shipbuilders.

The technique enables a hull form design to be quickly produced and processed through to production definition, and the development of the shell plating, in a fifth of the time that would be required with a manually designed hull form.

The service is based on the Foran system operated by BSRA under an agreement with Sener and a seven segment mask. The Technica Industrial y Naval S.A. front faceplate carries a high luminance high-efficiency phosphor which is energised by a fair computer-aided lighting beam of electrons from the system developed by BSRA.

More from BSRA, Wallendene, Bucks. (0632 625242).

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AN ELECTROMAGNETIC piston pump capable of handling a wide range of corrosive and non-corrosive liquids has been introduced by Appliance Components, Cordwallis Street, Maidenhead, Berks. SL6 7PA (0628 3333).

The pump is fitted with Delrin inlet and outlet flanges, and is said to be ideal for drink vending applications.

The pump measures 21 x 21 inches, is self-priming and can handle up to 11 gallons/hour. Weighing just over 1 lb., the pump can be installed in any position, and can be driven by a 12 to 240 V. 50 Hz supply. It operates at 25 Hz.

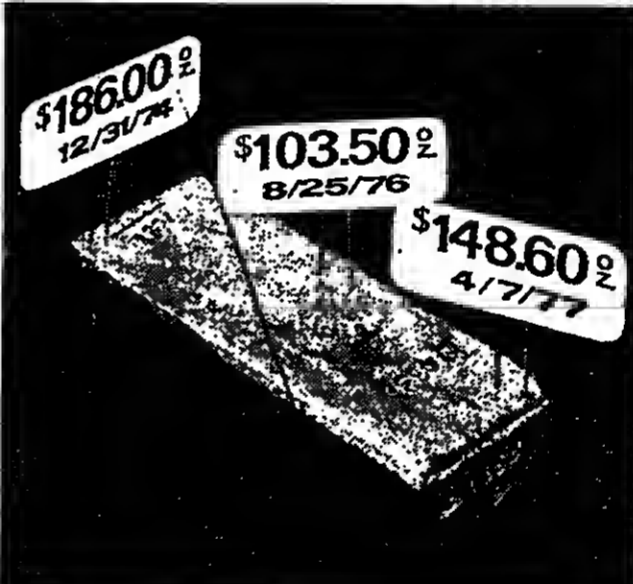
All about robots

THERE ARE more industrial robots in use in Japan than in the rest of the world put together, according to the Japan Industrial Robot Association.

This body is organising the 7th International Symposium on Industrial Robots which will be held in Tokyo on October 19 to 21. The 30 papers from 15 countries scheduled for presentation at the Conference will include world-wide developments in this field.

More details are available from International Robotics Services, 18 High Street, Rompton, Bedford MK23 5S3 (05605), which will be sponsoring group travel arrangements for European participants.

Where are gold prices headed?



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Frozen pork bellies	Gold	Japanese yen	Mexican pesos	Nest run eggs	Turkeys

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PARLIAMENT and POLITICS

Left MPs revolt on tax remissions

BY IVOR OWEN, PARLIAMENTARY STAFF

A LABOUR Left-wing attack on the income tax remissions provided in the Budget for the higher paid culminated in a backbench revolt against the Government when Mr. Denis Davies... Mr. Davies maintained that the £30m. remission resulting from the raising of the threshold to £5,000 was only a small portion of the total income tax reduction of £2,250m. proposed by the Chancellor.

Road building Tories narrowly beaten in prices Bill challenge

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MR. WILLIAM RODGERS, Transport Secretary, yesterday lifted the moratorium on motorway and trunk road building imposed last December as part of the Government's package following the agreement with the International Monetary Fund. The moratorium was due to last until June 15 and its suspension means that contracts for new roads can be let again immediately.

THE GOVERNMENT hopes its Bill for solid unannounced, it was to strengthen price controls and put in place the revised Commission should be one whose basis can complete its passage through the Commons in a matter of weeks. Mr. Roy Hattersley, Prices and Consumer Affairs Secretary, made this clear yesterday in the Commons Standing Committee on the Bill.

Tory loses rented homes Bill

A TORY Private Member's Bill passing of the 1974 Rent Act, Private landlords were not making homes available for letting because they feared they would not be able to regain possession of their property when they wanted it, he claimed.

Mistakes Bill critics claim victory Peers support Bill to change Scottish homosexual law

BY RICHARD EVANS, LOBBY EDITOR

A CONTROVERSIAL Bill that would have made it easier for Governments to correct legislative errors has had to be withdrawn because of fierce Parliamentary opposition. The Acts of Parliament (Correction of Mistakes) Bill was due to have its second reading in the Lords yesterday but, because of growing criticism from MPs and peers, the measure was postponed at short notice.

A PRIVATE member's Bill to bring Scottish law on homosexual activities in line with that of England was given a second reading in the Lords yesterday by a majority of 58 (125-27). Giving the Government view of the Bill moved by Lord Boothby (Ind.), Lord Kirkhill, Minister of State, Scottish Office, said that prosecutions for homosexual acts were too high because prices were practically unknown in Scotland.

Midland Bank will be taking care of business at the Budapest International Spring Trade Fair.



As we are a participant in European Banks International (EBIC), a group of 7 great independent European Banks, you'd expect us to be there for an event of such importance. Mr. Don White, will be present from May 18th-26th to help ensure your trip is a profitable one. There will also be an EBIC representative on hand for the entire Fair.

If the occasion arises where you think you could use a little friendly, free advice, talk to either of them. They can be contacted at the Fair at EBIC House, Hall A, 1st Floor, Office Number 116/118. Tel: 834 320/834 318. Telex: 22 46 90. And if you have any questions on overseas trading that you'd like answered now, contact Midland Bank's Panel for Overseas Trade Development in London 01-606 9944.

Midland Bank International

Care of elderly relatives study

THERE IS NO evidence that "granny-bashing" is increasing, Mr. David Ennals, Social Services Secretary, said in the Commons yesterday. But the Minister told MPs he had decided to fund a research project into the support needed by families caring for elderly relatives.

Ennals studies report on NHS waiting lists

MR. DAVID ENNALS, Secretary for Social Services, is studying a top level report on how to solve the problem of Britain's long waiting lists for National Health treatment. He told MPs yesterday he was "extremely concerned about this problem."

Merchant Shipping Bill planned

A MAJOR Merchant Shipping Bill is now being prepared which will lead to improved safety at sea, new disciplinary arrangements for the Merchant Navy and major advances in preventing pollution of the sea.

Written Answers

TREASURY Mr. Bryan Goid (Lab., Southampton Test). What is the Chancellor's working assumption of the income elasticity of demand for U.K. manufactured exports? Mr. Denis Davies, Minister of State, Research in the Treasury and Department of Trade into the determinants of U.K. manufactured exports has had difficulty in discriminating clearly between (i) a low world trade elasticity (of about 0.8) and (ii) a higher world trade elasticity (of about 1) combined with a loss of share due to factors unrelated to world activity.

Trade

MR. MICHAEL SHERSBY (Con., Kirkcaldy). What was the total import penetration of the British market for foreign producers for the first three months of this year compared with the same period of 1976? Mr. Michael Mowbray, Under-Secretary, according to figures from the Society of Motor Manufacturers and Traders, import penetration of the U.K. car market in the first three months of 1977 was 42.8 per cent, compared with 34.7 per cent in the same period last year.

Prices

MR. JOHN GARRETT (Lab., Norwich South) will be Secretary of State for the footwear retail trade to the Monopolies Commission. Mr. John Fraser, Minister of State, the Director General of Fair Trading announced on May 5 that he had concluded that there did not appear to be a monopoly situation in the supply of footwear. Although he had decided not to make a reference to the Monopolies and Mergers Commission at the present time he would continue to keep developments in the industry under review.

East Kilbride

THE STRATHDYKE area of Scotland is particularly large reservoir of available skilled, unskilled and white-collar workers of both sexes exists close and linked to the modern centre of industrial expansion, East Kilbride. In addition, East Kilbride is a special development area of Britain and one of the most successful financial incentives for manufacturing industry, services and service industry. Up to 20,000 workers in modern, well equipped premises will gladly be sent on request.

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The Management Page

EDITED BY CHRISTOPHER LORENZ

BMW MOTORCYCLES

Berlin mounts a two-wheel drive against Japan

BY DOODSWORTH

VERY industry there is in West Berlin, will mean the only one company which development of a new range of conventional wisdom and smaller machines. In the 400cc away with it. Among the to 500cc capacity range (BMW mean motor manufacturers is coy about its precise plans), BMW, a living challenge these bikes will be competing in a idea that a motor group categories where the Japanese to be either large (like Fiat are already well established, and for example), or well and where volume output—and (like Mercedes and therefore price—have for some years been just as important as refinement.

What seems to be behind this thinking is a similar development to the one BMW has pursued in car manufacturing in recent years. Although the company still has a range of powerful, sporty cars, it has also carefully expanded its capacity and sales in its middle-size ranges, seeking a wider market while still maintaining premium rates. "There will be no moped, and no new 250cc machine for BMW," says Rudolf von Schulerburg, managing director of BMW Motorcycles. "But we do think that at the upper end of the market, with bikes of 1,000cc, we have reached the point where it is technically not advisable to go any further."

There is little to be gained by the development of even more powerful machines at that end of the range, he suggests. "We don't think it would be wise to follow our competitors and develop more and more motor cars on two wheels. We would rather continue with our well-balanced concept and go for a better power per weight ratio. Power per weight is far more important than adding another 1,000cc."

Von Schulerburg is a stocky, deliberately spoken man of 39, who was formerly head of BMW's product planning, and has had the job of building up the group's subsidiary in South Africa for the last three years. He has now been brought back to head the expansion of the group's motor-cycle division. It will be a 30 to 40 per cent. price premium.

Yet BMW has made it quite clear that this "superbike" marketing strategy will be a crucial aspect of the next five to ten years. Its new plans, involving investment at its plant a tough five-year assignment, a



Rudolf Graf von der Schulerburg, managing director of BMW Motorcycles, and his old-fashioned manufacturing site in West Berlin. His 150m investment programme for the factory is a key component in BMW's strategy of breaking into the middle-range motor-cycle market.

new factory will have to be brought into operation opposite the present works in West Berlin; a new workforce of 1,000 has to be added to the present 1,600 and trained; new machines and engines have to be brought through successfully, along with some new more automated production processes.

The groundwork for this period of rapid change has already been laid. In the 1960s, while the motor-cycle manufacturing was gradually brought together and grouped on one site in West Berlin, it remained the poor relation of the car manufacturing group. But a year ago it was split off as a separate subsidiary of the main group with its autonomous management.

Extra spur

The motor-cycle division used to comprise a dozen departments in the parent company. The idea is now to make it a real profit centre and put it in a position to develop new ideas," says von Schulerburg. "In the days when motor-cars were number one, the motor-cycle people were banished to help with their problems whenever they needed extra hands. Now this has stopped to allow us to put more initiative into motor-cycles."

One consequence of this new direction should be to give BMW an extra spur to growth in the 1980s. Von Schulerburg says that turnover in the division is expected to go up from DM200m. last year (about £50m) to DM500m. In 1982, and profits are already in line (for the first time in many years)

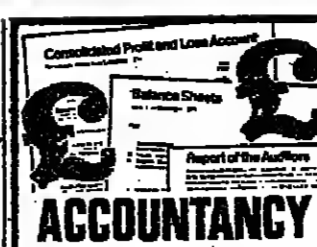
with the main group's results. But the expansion will still leave BMW as a relatively minor operation in comparison with the Japanese—its output of 25,000 units last year compared with well in excess of 2m, at Honda.

At the same time, according to independent studies, the Japanese are way ahead on productivity—the Boston Consulting Group claimed that each worker at Honda makes about 200 bikes a year against BMW's 20 or less.

Given this industrial environment, BMW's marketing strategy has been largely determined for it to stick, like Rolls-Royce, to an exclusive image, and ensure that this remains soundly based by painstaking labour-intensive engineering. On that base it should be able to build a pricing structure to justify the investment in man hours.

Whether it can maintain its image and quality while expanding so rapidly, and whether the strategy will work for smaller, engine motor-cycles, are questions which will be answered in the next five years. BMW is already anxious; for example, about the problem of hiring the right quality of skilled workers in West Berlin's constricted labour market—half its present labour force is foreign. Because of this its personnel director is coming to Britain to try to find skilled workers laid off by the collapse of the Midlands motor cycle industry.

But the company believes there is still considerable growth left in the world market. It calculates that this will be about 5 per cent. a year in the next decade, balanced towards quality machines and to Europe rather than America. On this basis it is determined, as von Schulerburg says, to "give it a go."



Hidden perils from Brussels

BY MICHAEL LAFFERTY

WE IGNORE what goes on in Brussels at our peril. There can be no better example of this than the draft EEC 7th company law directive on the ordinary accounts, which was published last year by the European Commission.

Ostensibly, the directive simply requires that all those EEC countries which at present do not require groups of companies to publish consolidated accounts should do so. Yet on closer examination it turns out that what is actually being proposed amounts to a revolution in the basis of accounting, company law, and the rights of shareholders, employees and others to receive information about the companies to which they have interests.

The separate legal status of the individual companies of the group. In other words, all business undertakings (whether they are companies or not) subject to central and unified management are group members, regardless of whether there is power of control through ownership. But subsidiaries in which ownership control exists would be excluded from a consolidation if they can be shown not to be subject to the centralised management.

The sub-group requirements are contrary to the position in the U.K., where the limited value of such an exercise is recognised and there is no requirement to prepare sub-consolidated accounts. On the other hand, it is quite possible that trade unionists and other local interests would find this information of value.

In the U.K. every company with subsidiaries has been required to prepare consolidated accounts covering the operations of the whole group since the 1948 Companies Act came into force.

Incentive

In continental Europe, on the other hand, consolidated accounts are far less common for a great variety of reasons but mainly, perhaps, because these countries have not had as active a capital market as has the U.K., nor as wide an investing public which demands reliable information.

In addition, those European companies which happen to have a large body of shareholders have had little incentive to keep them informed because the shares in issue are in bearer form, with the result that shareholders are generally anonymous.

But anyone who has been entertaining hopes that the EEC will require Belgian holding companies, such as Société Générale, to publish U.K.-style consolidated accounts under the seventh directive will be disappointed.

It is, to say the least, questionable whether accounts prepared on this basis would be of any value to shareholders. But then the Commission does not take the typical capitalist view that shareholders are the only or even the principal interests of a company. Employees, creditors, Governments, tax authorities, and consumers appear to be equally high on its list of priorities.

This becomes more apparent when we look a little closer at the requirements of the directive.

Horizontal consolidation therefore it seems clear that the European Commission does not think that accounts should continue to be constructed around the notion that shareholders are the owners of the company and have priority in receiving information.

Apart from overall consolidated accounts for a complete group, it would also require non-EEC based multinationals to prepare consolidated accounts for all their EEC operations—the so-called "Community" consolidation. Sub-consolidations at all levels for sub-groups operating within the EEC; and horizontal consolidations for all EEC businesses which come under central and unified management.

The motivation for requiring a Community consolidation by non-EEC based multinationals is no doubt designed to determine the extent of U.S. and other multinationals' operations in the EEC. Information on the extent to which I.T.T., IBM or Ford control resources in the Community may well be of great interest to the European Commission, Governments, and trade unions.

A possible compromise solution suggested by Mr. Tom Watts, the Price Waterhouse partner who advises the Government on EEC company accounting, would be to merge the Anglo-Saxon concept of a group with the EEC concept of central and unified management. This would preserve the status quo as far as the U.K. is concerned, while at the same time providing other interests with the information they need.

Far from adopting the British and widely held international view that ownership of shares in subsidiaries by the holding company is the basis of a group, the Commission has decided that Europe needs something different. The Commission's view, which is adopted from German law, is that a group exists where two or more companies come under "central and unified management." The EEC concerns and sister directive is concerned primarily with this group as an economic entity, and it ignores eliminated.

The 7th directive has already received the approval of the EEC Economic and Social Committee, which has a strong trade union influence, and it is currently taxing the resources of the European Parliament which appears to be a little out of its depth. Thereafter it will be discussed by a working party of the Council of Ministers for about two years, and should then be approved by the Council. Once that happens member states will have no option but to introduce legislation within 18 months, and provisions will have to take effect within a further 30 months.

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be written agreement. Will my notice be effective?

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The personal borrower and the cost of credit

BY MICHAEL BLANDEN

The Bullock charade

THERE IS a large element of charade in the discussions which have been taking place this week between the CBI and the Government on the subject of industrial democracy.

Partisan For one thing is certain. The issue of industrial democracy, and of worker directors in particular, is not about to fade from the scene.

Virtually everyone is agreed that over the next few years there will be moves to give employees significantly more influence over the decisions which affect them, not just on the shop floor, but at the corporate level.

Second thoughts on Namibia

BARELY FIVE weeks ago, the five western members of the U.N. Security Council launched a new initiative in southern Africa which is aimed at finding an internationally accepted solution to Namibia (South West Africa), the territory which South Africa has ruled in contravention of countless U.N. resolutions for over 30 years.

Cornerstone The initial aim of the western demarche has been to persuade Mr. Vorster, the South African Prime Minister, that South Africa's recipe for the territory's future has no chance of international acceptance.

Specifically what is wrong with the so-called Turnhalle conference and the constitution which it has been elaborating is that the South West African People's Organisation (SWAPO) which is recognised by the Organisation of African Unity as the authentic voice of Namibian nationalism has been excluded both from participating in the constitutional negotiations and in government

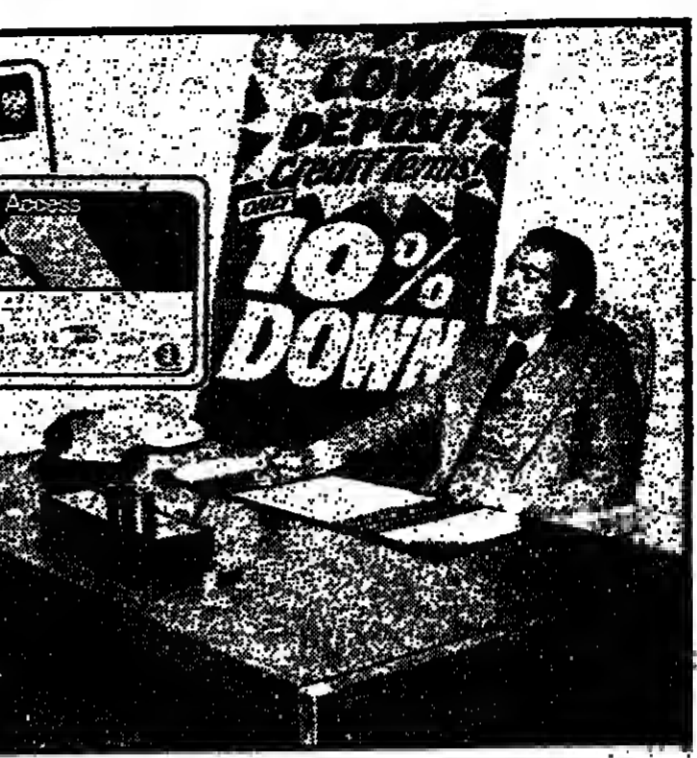
THE DRAMATIC fall in the general level of interest rates this year has had its most obvious effects on the cost of overdrafts provided by the big banks. The cost of money has fallen sharply, bringing considerable benefits to the banks' customers but presenting new problems for the banks themselves as a result of their difficulties in offering competitive rates for their deposit funds.

The personal loans offered by the banks have been a growing element in their business. For types of finance where the fixed-term, fixed-rate format has been regarded as a more appropriate form of lending than the traditional floating-rate overdraft. For the finance of a new car purchase, for example, a bank manager would normally steer a personal customer in this direction; and the banks are required to observe the relevant instalment credit restrictions where a loan is being made for such an identifiable purpose.

The banks and finance houses claim certain advantages for this type of finance for the customer. A loan, with a pre-arranged repayment schedule, means that the borrower knows in advance exactly what his commitment will be during the period. Fixed loans are generally more expensive than the overdraft, with the rates charged by finance houses normally significantly higher still.

Personal loan and instalment credit rates, for example, did rise in the latter part of last year, but the movement was nothing like as dramatic as the leap in overdraft costs when bank base rates went up to their peak 14 per cent. The downward trend this year has brought base rates down by 5 1/2 per cent to a level implying that most personal customers will now pay rates in the range

of 11 1/2-13 per cent, for an overdraft. Nevertheless, several banks have also recently announced cuts in the rates on personal loans and the big finance houses have been bringing down the cost of instalment credit. Recently changes were published by Barclays Bank and the Co-operative Bank. Barclays reduced the rate on new personal loans from May 2 by nearly 3 per cent. This bank now quotes the cost of these loans as a true interest rate— as opposed to the flat rate formula still widely in use— and the change brought the figure down from 19.56 per cent.



to 16.63 per cent. Similarly, the Co-op announced a reduction in the true rate of interest on personal loans for up to three years from 17 per cent to 15 per cent, at the same time bringing the cost of 3-5 year home development loans down from 18 per cent to 15 per cent.

The Midland Bank brought its personal loan rates down a little earlier. In this case, the bank continues to work on the basis of a flat interest rate. This relates the charge to the amount of the initial loan; but because the loan is being repaid in instalments the average amount outstanding is less than the original loan and the true rate of interest much higher than the flat rate—very roughly, nearly double. All the big lenders now tell their customers what the true rate of interest is, anticipating the "truth-in-lending" regulations to be enforced under the Consumer Credit Act. The true rate, however, varies when related to a fixed flat rate according to the period of the loan.

October, but before that it had remained unchanged at 9 per cent flat ever since late May 1974. Nor do the rates move in the controls on car purchase— which at present impose a one-third deposit and repayment over not more than 24 months—to extend the period to 36 months. Like the banks, however, they have been able to bring down the cost of loans from the increased levels which were generally imposed last autumn. Finance house loans involve rates which differ according to whether finance is being provided directly to the customer, with a saving in costs and the prospect of a continuing business relationship, or whether it is being offered through the intermediary of the car dealer who has the option of taking a commission on the transaction.

Competitive pressures in the market have tended recently to lead to a reduction in rates even without specific action by the finance houses which are the ultimate source of the credit. Dealers have been prepared to reduce the amount of commission they charge in order to get new business; and in some cases special promotions have been subsidised by manufacturers to bring rates down to exceptionally low levels, as low as 7 1/2 per cent flat. The normal going rate for a personal loan from a finance house, however, at present ranges upwards from around 11 per cent flat—equivalent to around 21 per cent on a true interest rate basis—following the reductions which have been introduced by most of the big lenders in the past couple of months.

This level of charges, however, is generally available only in special deals—for example, the arrangement which Mercantile Credit has to lend to AA members of Lombard North Central's agreements for RAC members. For the general public, personal loans direct from a finance house would attract interest rates of up to 12 or 13 per cent flat, which is equivalent to a true rate of up to around 23 per cent.

The rates which would be charged on dealer business are less easy to define, given the amount of flexibility in commissions. For a new car, the cost could vary at present between 12 per cent and 16 per cent flat—a true cost of up to around 30 per cent. Including full commission, the normal range at present is around the 15 per cent flat level. But the actual cost to the customer can be substantially less if the dealer finances commission. He is normally required to produce a minimum return to the finance house; one lending house, for example, requires a return of 11 1/2 per cent flat. The finance houses are very directly affected by the sort of swings in interest rates which

Interest-free accounts

The banks face difficult circumstances, but are clear signs of being under pressure themselves. The portion of their resources tributed by interest-free or accounts has fallen as deposits on which the bank paying interest at im related rates, have grown the same time, the cost attracting the current account has risen sharply as the inflation of wage and costs, and the recent increases have only offset this pressure.

The problem has also been reflected in the widening of the 2 between the big banks' lending rate and the rate offer on the normal savings branch deposits. This now stands at 44 per cent against the traditional 40 per cent, and the tiny 4 per spread which Barclays had at one stage in 1973 when banks were giving back customers some of the large profits they were able to earn. The bank now worried about their, to compete for funds at when they argue that rates have to be kept down in order to sustain their 7 and at least one leading Mr. Douglas Horner of B has recently given a clear ing that the banks may h put up charges if they w restore the balance. The implication of this 4th could be that the bank take a more cautious at towards fixed-rate lenders periods when interest, generally, are liable to sharply upwards, with a pressure towards main tain loan rates at higher level

MEN AND MATTERS

Celebratory Times

The parents of the Daily Universal Register have added to the original name that of The Times which, being a monoglyphic, bids defiance to corruptors and mutilators of the language.

It was not until May 3, 1966 that a similar revolution occurred on the paper's front page when the traditional advertisements and announcements gave way to the more conventional front page of today. Even so The Times did make the occasional exception—the first being what is called in newspaper slang a "front page splash" for Nelson's victory at Trafalgar followed the next year by reports of a sensational murder accompanied by a woodblock artist's impression of the scene of the crime.

The Walters family kept control of their "child" through four generations of John Walters until Lord Northcliffe bought the Times Publishing Company in 1908. It was bought out by Major J. J. Astor, later Lord Astor of Hever, in 1922. The Walters family were represented on the Times Board until 1986, the year in which Lord Thomson took control. To-day The Times celebrates publication of its 60,000th number with a two page supplement carrying selected highlights of 192 consecutive years of distinguished journalism, in spite of recurrent, and continuing, financial crises. It numbers among its staff a former editor of 'Men and Matters', the man who, in 1960, re-started this diary, originally created by Brendan Bracken. That man is William Rees-Mogg.

World Bank hush

The appendix to the final communiqué of last weekend's Downing Street summit included, inter alia, a hope that the World Bank, as its resources grow, will give special emphasis to projects which help the underdeveloping countries to expand their domestic energy production. It was yet another indication of the ever increasing importance attached to an

The dividing line between high morality and griggishness is however, frequently a fine one, an observation which seems to be borne out by an internal controversy over the right of Bank staff to speak their mind in public, particularly about conditions in their own country. Mahbub Ul-Haq is the highly regarded Director of Policy Planning at the Bank. He is also a Pakistani. Last month the Washington Post ran an editorial which, very broadly, claimed that Prime Minister Bhutto was being unfairly criticised, in the U.S. and elsewhere, for his current policies. Mahbub Ul-Haq took exception to the editorial and made this clear in the paper's letters column, not identifying himself as a senior member of the Bank but simply giving his Bethesda, Maryland, address. But Washington is a small town and the Bank's hierarchy was not amused. It is understood that representations were made to Robert McNamara, the Bank's president, by Pakistani authorities. An intense, internal debate ensued around the issue of whether Bank personnel could legitimately voice their opinions in the numerous Washington cocktail parties and not

in the Press, or both, or vice versa or neither. The hardliners won. Mahbub Ul-Haq has been formally reprimanded. Moreover, departmental managers have been ordered to tell their staff that any such breach of Bank propriety in the future will be considered a dismissible offence. Since it is very hard to get fired by the Bank, this is reckoned to be about as tough a general edict as imaginable.

Irritations President Jimmy Carter, back in Britain yesterday from Geneva, is a precedent-breaker of significant proportions—but it may have lost him a friend or two in the London hotel trade. Before the American armada took to the air for the Downing Street summit, the NATO conference, et al, Carter had a personal look down the list of staff going, and ordered pruning.

Old news A wide-awake watcher of the latest version of the Stock Exchange's publicity film My Bond is my Bond noted that, as the commentary enthused about equity buying, the camera zoomed in on one company name in the share markings page of the FT. It must have been an old issue. The company was Peck, Winch and Tod, with a share price of 176p. PWT had ended up a subsidiary of Peck Foods, whose shares were suspended at 8p—and which, at least as far as part of the group is concerned, faces a Department of Trade inquiry, announced yesterday.

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David Fishlock, Science Editor, reveals details of the Soviet Union's nuclear energy policy.

Russia's nuclear power plans

PART of his discussions on Russian electricity and nuclear energy programmes, Anthony Wedgwood Benn, Secretary of State for Energy, meets Igor Morokov, first deputy chairman of the State Committee for Atomic Energy in Moscow.

Back home, it is Mr. Wedgwood Benn who has been isolated himself from officials through his refusal to face any major decision under power policy. It is claimed that he has succeeded in preventing the Health, Safety and Environment Executive— which reports to a different department from announcing that Government's nuclear policy.

Mr. Benn has also been criticised for his decision to allow the construction of a new reactor for the U.K. Mr. Wedgwood Benn likely to have a meeting with Mr. Morokov this week to discuss the apparent antipathy towards nuclear energy.

Will Mr. Benn, for example, give his support for the anti-proliferation policy, which is the subject of a meeting in London last week so mainly to discuss the behaviour of the Soviet delegation in Salzburg last week, when a senior U.S. nuclear industry figure publicly attacked Mr. Benn's proposals, is any guide, they certainly will not. The proposals, stated together and mainly to be an unimpressive and unconvincing basis for the U.S. speaker's grinning, applauding, and smiling one another.

At the Russians had already given a most eloquent region of President Carter's proliferation proposals at London meeting of the Nuclear Suppliers' Group late last month. They did not comment on the U.S. proposals but

instead distributed a memorandum stating a position totally opposed to the new U.S. view. Their position simply accepts reprocessing of spent nuclear fuel and the use of plutonium as a fuel. Yet they are by no means unconstructive.

The USSR reprocesses spent nuclear fuel for all the Eastern bloc nations, retaining the plutonium by-product. In other words, it already operates a regional reprocessing operation, albeit under one nation's control.

The memorandum stresses that it considers the "guidelines for nuclear transfers" already agreed informally by the Nuclear Suppliers Group— and likely to be finally accepted at its next meeting in mid-summer— as "minimal requirements" and urges further restrictions on nuclear transfers. It calls for what are known as "full-scope" safeguards, in which prescribed items of technology, such as those essential to the construction of enrichment and reprocessing plants, are delivered only on condition that the recipient throws open all of his nuclear activities to International Atomic Energy Agency inspectors.

The USSR also proposes that nuclear fuel should be transferred from one nation to another with the condition that the receiving nation would re-transfer it only to a nuclear supplier nation (of which there are 15 in the clandestine "club" at present) or to a regional fuel cycle centre managed under international safeguards. This, says the memo, is the principle on which Russia already supplies fuel to other nations.

It emphasises its confidence in the regional fuel cycle centre, an IAEA concept which received considerable support from Dr. Henry Kissinger, when U.S. Secretary of State, but which has been abandoned by the new U.S. Administration. The Russian memorandum states tersely that the agency "should be more active" in studying the problems of international nuclear fuel centres and plutonium storage.

It also suggests that nuclear supplier nations should take more seriously, as a proliferation risk, the stocks of fissile materials such as plutonium and highly enriched uranium accumulated at the research centres of non-nuclear weapon States.

Finally, the memorandum comments on the vexed question of what sanctions are to be taken against any nation found to be violating international agreements to control "sensitive nuclear technology of the kind crucial to making nuclear explosives." It declares its "positive, in principle, attitude towards working out of such sanctions" and its readiness to "consider specific proposals on this question."

The USSR, along with the U.S. and Britain, is one of the three nations which over the past 20 years has worked hardest for the principle of non-proliferation. Its memorandum is a thoughtful and sensitive statement of positions from a nation which has exerted and still plans to exert a major influence as nuclear supplier to a large sector of the world market.

What is more, it starts from the standpoint that the USSR itself must construct a large domestic nuclear programme, and that over the next 20-25 years the use of plutonium fuel will reduce Russian need for

uranium by about 25 per cent. According to Russia's Ministry of Power and Electrification, by 1975 installed nuclear capacity had reached 4,700 MW— 2.2 per cent of all generating capacity in the USSR. Operating experience over the previous four years was satisfactory in terms of reliability, efficiency and safety.

In 1975 the Government announced a large nuclear programme to increase installed capacity to 13,000-15,000 MW by 1980. Because this followed a period in which, like many western nations, the USSR had curtailed nuclear expansion in favour of oil and gas, the decision made necessary a big build-up in nuclear manufacturing capacity.

The Russian nuclear programme is based on two types of reactor: one is a pressurised water reactor (PWR), developed—as was the case in the U.S.—from work on a nuclear reactor. The other is a pressure-tube type of reactor called the RBMK, the equivalent of Britain's "steam" or steam-generating heavy water reactor, except that it uses graphite instead of heavy water as its moderator. If Britain leads this summer to continue with the commercial development of the steam, there seems to be good cause for collaborating closely with a Russian programme, which has already commissioned two 1,000 MW RBMK reactors—larger than anything yet contemplated in Britain.

The Russian electricity Ministry's policy appears to be to divide the nuclear orders equally between the two types of reactor. But an imbalance became apparent during the 1970s because the ministry ever found the RBMK easier

to engineer than the more highly rated PWR.

But one significant difference has surfaced. The Russians have set a top limit for the present of 1,000 MW on the PWR (compared with 1,300 MW in the U.S. and elsewhere). The reason given is the problem of transporting its large components to such sites as Kalinin-skaya and Rovenskaya. For the RBMK, the Russians are designing a 1,500 MW version, uprated from the 1,000 MW reactor in operation at Leningrad. The first is scheduled for the Ignallinskaya nuclear power plant in Latvia.

By 1980 the Russian plan calls for no fewer than seven nuclear power stations with outputs exceeding 2,000 MW. All will be part of the European portion of the Russian "power pool" system, with a total output of 180,000 MW—nearly three times the size of the Central Electricity Generating Board's total power system. Four new large plants—two in the European sector and two in the Ukraine—are scheduled to be started.

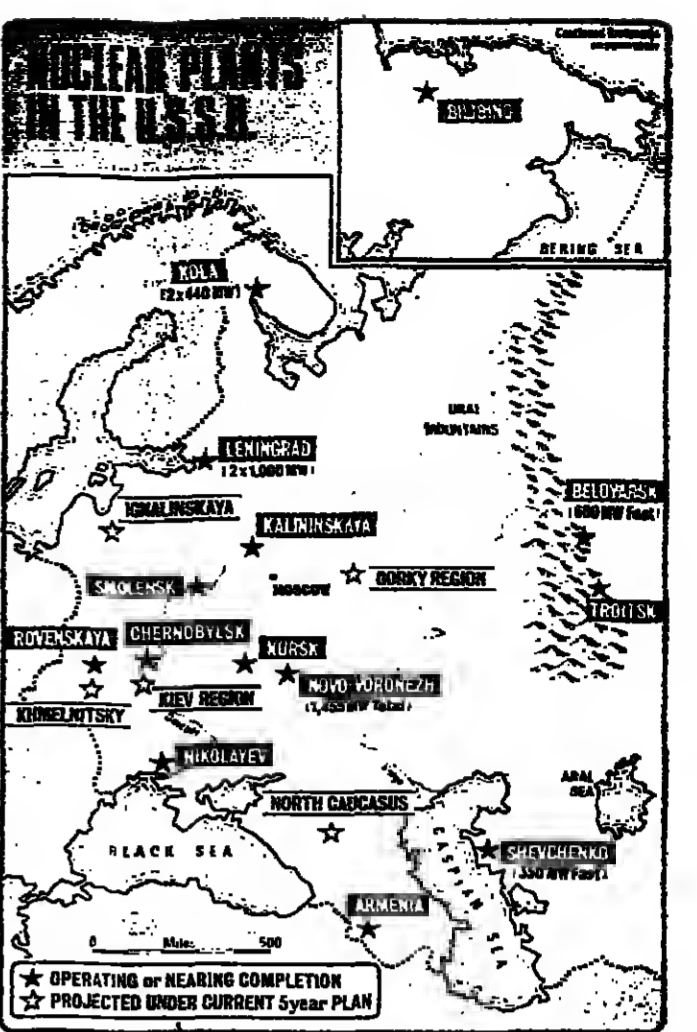
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It is worth noting that Russian estimates of the cost of reprocessing spent fuel—in which, as a nuclear weapon state it has ample experience— tally closely with those of Western nations.

The other important trend forecast is the production of nuclear process heat, primarily for industrial use. As one Russian described it in Salzburg, they see the mastery of nuclear electricity production as "only a first and simple step." Industrial heat was the use for which nuclear power would most effectively replace oil and gas, for example in making organic chemicals, plastics, factory production and synthetic fuels.

A significant part of Russia's nuclear development effort now appears to be aimed at heat-producing reactors, with experimental plants operating successfully at four or five sites. By the end of the century, it is estimated, 10-15 per cent of Russia's nuclear energy capacity could be delivered as heat, from large stations as far as 50 to 80 km from the point of use.

Beyond its own borders the USSR is the major nuclear supplier and sole source of enrichment and reprocessing services to the satellite nations on the Council for Mutual Economic Assistance. By 1975, the nuclear capacity of these nations



Proportion of Russian nuclear fuel cycle cost

Uranium refining	45-50
Enrichment	20-40
Fuel fabrication	10-20
Reprocessing	5-10

totalled 2,800 MW, with plants operating in Bulgaria, East Germany and Czechoslovakia. Today Hungary, Poland and Romania all have plans to under construction, and Cuba has recently announced plans to follow suit. By 1980 the satellites are expected to have an installed capacity approaching 10,000 MW, almost exclusively PWRs.

No less than those of his western allies, who have so far given his anti-proliferation proposals a very rough reception, the ambitious nuclear plans of the Eastern bloc could prove the undoing of President Carter's attempt to proscribe plutonium.

Inspectors

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Two trends

For the further development of nuclear power, there are two important trends. One is the fast breeder reactor, for which it was the first nation to commission a large demonstration with its 1,000 MW (thermal) reactor at Shevchenko. This dual-purpose prototype, combining 150 MW of electricity with enough process steam to produce 5,000 tonnes an hour of distilled sea water, first produced power nearly four years ago.

The Russians have nearly completed a 600 MW demonstration fast breeder reactor at

To-day's Events

House of Lords: Debate on present state of further education. Debate on role of trade unions in relation to freedom of Press and broadcasting. Debate on training of social workers.

Select Committee: Unopposed Bills: British Railways (4 p.m., Committee 1). Subject: Conservation of Birds. Witnesses: Department of Environment (10.30 a.m., Committee 1). Subject: European Legislation etc. (Sub-Committee 1). Subject: Conservation of Birds. Witnesses: Department of Environment (10.30 a.m., Committee 1). Nationalised Industries (Sub-Committee 1). Subject: Regional Water Authorities. Witnesses: Southern Water Authority (4 p.m., room 8).

COMPANY RESULTS: Royal Insurance (1st quarter); 14-20, St. Mary Axe, E.C. 11.

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Letters to the Editor

Management of materials

Mr. Hugh Ford, President, The Institution of Chemical Engineers.

Mr. A. B. Woodhead's letter on materials management (May 9) touches a vital point. The energy problem will be long being forced into prominence by the oil price (as) has held the limelight in recent years, but the materials problem is no less pressing. We use all the fossil fuels have used up, there is no alternative source of energy, when copper, tin, lead, silver and nickel run out, what then? Must not forget, moreover, that a high proportion of the energy consumed goes into the conversion of raw material into saleable products. Much of that material is included in the waste which is sent to recycling.

Mr. Woodhead's letter concentrates on the need for a new approach to materials at all levels of company operations. Certainly, a great deal of revolutionary re-thinking is going to be needed on such things as product specification and design methods of manufacture.

We must learn to look with a "hard eye" on redundant elements in equipment and processes, to design and build for life and maintenance, to reduce waste and to consider use of recycling.

The company which does all this effectively is likely to derive direct benefit from lower material and energy costs and, it hopes, from product reputation, but this is not the whole story. We are talking about a problem of international dimensions, going way beyond the management policy of individual manufacturing companies.

The National Economic Development Office has, to its credit, recognised the need for a co-ordinated effort on the materials front, and I hope that it will use its undoubted influence to extend its attention to this important area not only into industry but also into Government.

Many aspects of this problem which need to be studied include identification of real (as opposed to fictitiously created) scarcity, the economic effects of making products for long life and the need for incentives for manufacturers to do so.

VEDO and my Institution will be only too glad to help in any way we can work together to solve this problem. I am, Sir, yours faithfully, Ian MacAlpine, 29, Grosvenor Court, Chase Road, N.14.

Medical costs

From Miss M. Williamson.

Sir,—Reference Mr. Lamb's letter (May 7) about NHS patients only getting five minutes of their GP's time. Your financially-minded readers might be interested to know that prescriptions for drugs and medications are being cut down for economy reasons to absurdly small quantities.

A prescription recently renewed was for only two (instead of the usual 20) small tablets, costing for me by a chemist at 13p plus 2p for the minute bottle. A renewed prescription to the local health Board on the grounds that prescribing of small quantities would add substantially to administrative overheads and cause patients to pay extra visits to the surgery, only led to my being struck off that doctor's list and told to find another. From correspondence received from the local health Board, it appears that doctors have absolute discretion to prescribe "as they think fit" from which it follows that a patient can have no legitimate grounds for complaint, however small the quantity prescribed.

The problem seems to me to be one of adequate representation of patients' interests within the NHS, at patients' level, and I am, Sir, yours faithfully, Mary Williamson, 5 East Castle Road, Edinburgh.

Devaluation and inflation

From Mr. B. Adler.

Sir,—Clearly one must agree entirely with Mr. Allenby's contention (May 7) that in the last resort the arguments in my letter (May 4) are against inflation. It is indeed a fact that inflation increases prices and thus reduces competitiveness. Inflation per se, however, does not cause a loss of competitiveness if it affects equally all international competitors. It is the difference between the domestic and world wide rates of inflation which determines whether one is pricing oneself out of the world markets.

My arguments therefore inferred that repeated devaluations are one of the main causes which have kept our past rate of inflation higher than that of other industrialised nations. This vicious spiral must somehow be broken by other means, rather than given another twist by allowing further "compensating" devaluations to take place which would perpetuate and increase the gap between foreign and domestic inflation rates.

This argument on the macro-economic scale was secondary however to the main point of my letter. We are dazzled by the obvious-to-all fact that any devaluation helps to increase (albeit only for a limited period and to a limited extent until consequential inflation catches up with the costs) our export sales from their point of view.

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Aggro at the opera

From Mr. I. McAlpine.

Sir,—Surely the time has come for an official crack-down on the alarming growth in opera house vandalism. Too often recently have I, in common with dozens of other decent, well-behaved music-lovers, gone to Covent Garden to enjoy the opera, only to suffer the senseless hawking, shouting and clapping that now seems to follow every scene, if not indeed every number.

Of particular concern is the age-group involved. It is a sad comment on our society that so many 40 to 60 year olds are left to roam unaccompanied after half past seven in the evening; they inevitably congregated in gangs, and that is when the aggro starts.

Cannot the Minister for the Arts hold urgent talks with the board of directors of Covent Garden with a view to scotching this menace, which is undoubtedly driving ordinary peaceful patrons away from the art?

The ring-leaders could easily be identified by their now notorious uniform of sober evening wear and segregated in sound-proof enclosures to watch their performance on closed circuit television. No doubt other concerned readers will be able to suggest their own remedies.

Do-gooding liberals will, I suppose, claim that drink is to blame. This will not do; for upon the rare occasions when it is possible to get a drink at the crowded Covent Garden bar, it is certainly impossible to get a second, even if one could afford it.

No, Sir: we are faced with exhibitionism pure and simple. If an effective answer is not found quickly, we shall become the Italy of Europe.

Ian MacAlpine, 29, Grosvenor Court, Chase Road, N.14.

Aspects of savings

From the Financial Markets Consultant, Savard Baker Advertising.

Sir,—My crystal ball gives no answer to the question raised by Anthony Harris (May 6) as to how much of consumers' expected increase in disposable income will go to spending and to saving—although it does seem to me that the surprising feature of the squeeze on consumers, but not that savings have fallen, but have fallen so little. I hazard an opinion that when and if real incomes rise, savings will take a high priority.

The extent of this rise will, in some measure, depend on the policies of the financial institutions. It is at the first sign of a revival that they promote the same financial "products" as in the late 1960s and early 1970s. They may well deter the saver, who has learned a number of bitter lessons. A considerable re-think

Demands on a GP's time

From Dr. C. Ellis.

Sir,—Most doctors are well aware of the inadequacy of Mr. Lamb's five-minute appointment (May 7), but allowing him ten minutes, and every other patient would in effect double the number of daily consulting

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COMPANY NEWS + COMMENT

Mallinson turns in record £9.2m. surplus

International timber merchants, William Mallinson and Denny Mott, which proposes to change its name to Mallinson-Denny announces 1976 sales up from £134.0m. to £166.14m. and record pre-tax profit of £9.27m., compared with £5.17m.

The U.K. contributed £114.75m. (£95.43m.) to turnover and £8.82m. (£5.53m.) to profits before group interest charges of £3.09m. (£3.11m.). For the first half total pre-tax profit was £4.7m. (£1.9m.).

For the first four months of the current year the value of U.K. turnover was 19 per cent. ahead and the directors describe this as an encouraging sign.

Stated earnings per 25p share for 1976 rose from 5.71p to 8.82p and a final dividend of 1.5p net lifts the net total from 1.875p to 2.5p on increased capital. Treasury consent was obtained at the time of the rights issue.

Reserves have increased by £1.84m. to £16.64m. Mainly as a result of stock appreciation relief deferred tax increased by more than £2m. to £10.26m.

A breakdown of turnover and profit before interest payments, excluding the U.K. results, shows that other EEC countries contributed £10.34m. (£5.55m.) and 0.17m. loss (£0.12m. loss), Australia £10.9m. (£7.32m.) and £0.53m. (£0.37m.) and £3.37m. (£2.67m.) and the U.S. £0.23m. (£0.42m.) and £14,000 (£23,000). The results do not include Thompson Mahogany Company of the U.S. acquired in December, 1976.

Net tangible assets per share were 50p (£49p).

	1976	1975
External sales	166.14	134.00
Trading profit	12.32	8.24
Interest	2.93	3.09
Profit before tax	9.39	5.17
U.K. tax	3.12	1.67
Overseas tax	1.97	1.24
Net profit	4.94	2.23
Minority interests	0.17	0.12
Attributable	4.81	2.17
Dividend	1.50	1.50
Profit after tax	3.31	0.67
Ordinary dividend	1.50	1.50
Retained	1.81	0.67

comment

In common with the other timber merchants, Mallinson had a substantial rise in profits in 1976. It particularly benefited from the fact that its accounting period coincided with the best part of the run-up in timber prices and also from its rights issue. The merchants generally could see a downturn in 1977, with demand sluggish and prices more stable since sterling seems to have recovered its poise. But there is good reason to believe that the downturn at Mallinson, if indeed there is one, will be less harsh than for most. Demand has been surprisingly good so far this year, while profits overseas could show a useful rise; France could be turned round at last, the Far East is well ahead and there will be a first-time contribution from the new U.S. subsidiary, Thompson Mahogany. In view of these factors, the market is, perhaps, being rather harsh in rating the shares

HIGHLIGHTS

First quarter figures for Unilever are disappointing, showing a slight drop in profits; this reflects partly the reduced interests in Nigeria and partly the pressures on the Continental and U.S. operations. In contrast, the figures from Costa are better than expected with the growth at the pre-tax level coming out at 54 per cent, while the work load has risen 48 per cent. in £650m. Lex also comments on the proposals of substantial cutbacks by the Berton Group. Boosted by currency gains, Lesney has performed in line with other toy companies, while a first quarter gain of 25 per cent. at Smith and Nephew is in line with the forecast. Averys finished the year on a strong note thanks in main to the international division, while Wm. Mallinson had a bonanza year in line with the general timber sector.

Foster Bros. steady at £4.1m.

operation by converting many of the shops to other of the group's trading activities and any unprofitable shops within the group will be closed. The anticipated cost of these closures is £313,000.

The directors state that the current level of profitability indicates another record year in 1977, and this, together with a strong balance sheet, provides a sound basis for further considerable expansion.

Earnings per 5p share are shown ahead from 2.25p to 4.92p, and the dividend total is raised by the maximum permitted from 1.515930 to 2.1075p with a net final of 1.1075p.

comment

Against a depressed level of menswear demand a 14 per cent. fall in pre-tax profits from Foster Brothers on sales 3.2 per cent. higher is a creditable enough performance, and the shares held steady at 54p yesterday for a yield of 7.4 per cent. and a p/e of 6.2. Perhaps the most important feature, though, is the clear indication that the Stone-Dri acquisition is finally being cleared out. Since its purchase in 1973 for £5m, or so Stone-Dri has not made any positive contribution and the market should take some comfort in seeing this bad acquisition finally written off. For 1977 menswear faces another difficult year in sales terms but the company is broadening its appeal into children's wear and overall profits this year should show a modest rise, though perhaps £4m. pre-tax.

Central & Sheerwood up £1.14m.

PRE-TAX PROFIT of Central and Sheerwood in the second half of 1976 rose by £0.75m. to £1.80m. in line with the directors' forecast at half-way that second half figures would exceed those for the first half. The rise at midway was from £1.07m. to £1.48m. The group turned in an advance of £1.14m. to £3.34m. for the full year.

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comment

The rate of profits growth at Central & Sheerwood accelerated to 26 per cent. in the second half, making for an improvement of 52 per cent. for the year as a whole. Now the tax charge has been brought down to more normal levels, the earnings improvement is even more dramatic at 120 per cent. The trading background is one of continuing improvement in the major engineering subsidiaries, helped by a strong export drive, together with less elimination in some of the smaller companies. The current year should see further improvement and when the drag lines are brought into the profit and loss account in 1978, profits could be of quite a different order than at present. The shares dropped a penny to 37p yesterday probably because of a heavy bull account ahead of the results. The p/e of 7.3 and the yield of 9 per cent. do not appear to reflect the above-average prospects.

Toye recovers to £155,274

For 1976 the taxable profit of Toye and Company recovered to £155,274, including an extraordinary credit of £51,346, against a depressed £24,531 for 1975.

Turnover was up from £3.6m. to £4.24m. At half-way profit was £63,921 compared with £66,525.

The directors say that sales during the first quarter of the current year were 15 per cent. higher than last year, and the improvement is expected to continue.

Earnings per 25p share are shown as 1.53p (0.69p) and the dividend is increased from 0.65p to 0.8125p net, absorbing £14,404 (£14,612) after waivers.

The amount attributable came out at £55,775 (£1,307) after tax of £69,489 (£23,524).

The principal activities of the group are the manufacture and

sale of civil and military regalia, including the weaving of ribbons, narrow fabrics and screen printing, etc.

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DIVIDENDS ANNOUNCED

	Current payment	Date	Corresponding payment	Total for year	Total last year
Aberdeen Investments	1.25	June 28	1.03	2.65	1.8
Ambrose Trust	2.5	July 1	2.1	4.7	3.25
Averys	3.48	July 1	3.18	6.72	4.73
Barlows	7.87	July 8	7.18	15.05	7.13
Barclay & Walford	3.33	July 8	3.03	6.36	3.08
British Overseas Trusts (pt)	1.05	June 17	1.05	2.10	3.0
Central & Sheerwood	1.11	June 21	1.02	2.13	1.82
Central Mofg.	1.31	July 4	1.19	2.50	2.28
Clifford & Snell	0.15	July 22	0.14	0.29	0.21
Richard Costain 2nd Int.	1.6	July 1	1.45	3.05	2.52
Foster Bros. 2nd Int.	1.39	July 3	1.45	2.84	2.52
Investors Capital Tr. Int.	0.8	July 1	0.53	1.33	1.2
Kwik-Fit	1.13	July 1	0.75	1.78	1.25
Lesney Products	1.88	July 1	0.78	2.66	1.83
W. Mallinson	1.5	June 29	1.18	2.68	1.85
More O'Ferrall	2.29	July 1	1.5	3.79	2.25
Sellacourt	0.56	June 30	0.44	1.00	0.78
Torr	0.81	June 13	0.65	1.46	0.65
Tricoville	0.7	July 1	0.63	1.33	1.46
Turriff Corp.	4.16	July 1	3.78	7.94	3.78
Usher-Walker	1.9	July 1	1.73	3.63	2.86
J. Williams of Cardiff Int.	0.8	July 8	0.67	1.47	1.37
W. Williams	0.5	July 8	0.5	1.0	0.8

Dividends shown per share net except where otherwise stated, for scrip issue. ↑ on capital increased by rights and/or acquisition issues.

CMT ahead at £1.75m. midway

FOR the six months to January 21, 1977, Central Manufacturing and Trading Group achieved taxable profits of £1.75m. compared with £1.26m. on turnover up from £21.14m. to £28.23m.

The diversity of the group's activities has helped to produce this improvement in profitability, and the directors anticipated that during the second half the revival in home demand would enable the group to move ahead once more within the limits imposed by counter-inflation measures—their enforced restriction would then have ended.

Subject to any major national industrial upset it is expected that profits for the full year will show a considerable improvement over the previous year, he adds.

Earnings per 10p share are stated at 1.81p, compared with the interim dividend is lifted from 1.18p to 1.21p net.

The directors forecast a maximum permitted total for the year of £2,257p, compared with £2,257p paid from profits of £3,53m.

Mr. Hickman, giving a divisional analysis of trading profit and sales, says that the level of trading of the Industrial Services Division was particularly good with order books currently at record levels. On sales up from £7.02m. to £9.58m, profit increased from £271,000 to £374,000.

The Metal Processing Division suffered a reduction in margins due mainly to fluctuation in demand and profit dropped from £150,000 to £69,000 on sales of £5.33m. against £4.54m.

The demand for the products sold by the Steel Stockholding Division continued, with only a few rolled products showing any signs of reduced demand. Profit rose from £268,000 to £322,000 on sales up from £8.01m. to £8.57m.

Profit from the Light Engineering Division rose slightly from £12,000 to £163,000 on turnover of £2.02m. compared with £1.81m. to £5.57m.

Sales of the group's Tubes, Fittings and Forgings interests were up from £1.82m. to £2.28m. and profit was £443,000 against £378,000.

	1976	1975
Turnover	28.23	21.14
Trading profit	1.75	1.26
Interest	0.23	0.23
Profit before tax	1.98	1.26
Taxation	0.23	0.23
Net profit	1.75	1.26

comment

The recovery which began in the second half of last year at Central Manufacturing and Trading has slowed down slightly but is still continuing. The one exception is metal processing where the decline in scrap prices has helped profits. Light engineering too is running fast to stand still but the industrial services side (which accounts for 40 per cent. of the trading profits) has lifted turnover 36 per cent. on nearly maintained margins. Steel stockholding, too, has also recovered sharply from its very depressed state though the contribution of stock profits to the total profit figures has not been quantified. The closure of the foundry and the benefits of the capital investment programme have also helped margins in the tubes side and the second half will see a small first time contribution here from the new Mechanical Tubes company. Given the second half bias and the fact that interest charges are on the decline, the company could be heading for more than £4.1m. pre-tax for the year which would give a prospective p/e of 5.3 on a share price of 56p. The promised maximum dividend would yield 7.4 per cent.

Statement, Page 27

Usher-Walker similar at £0.48m.

Makers of printing ink and rollers, Usher-Walker, improved its turnover from £4.12m. to £4.55m. during 1976, and profit was £0.48m. compared with £370,000, subject to tax £251,787 (£252,750). The retained figure is £180,882, against £157,146.

Stated earnings per 10p share

As already announced, the interim dividend per 50p share is 2.5p (1.75p) net. Total for last year was 5.5p.

Net asset value per share at March 31 was 38.1p (42.6p).

Republic of Uruguay Central Bank of Uruguay Treasury Bonds

Palmar Hydroelectric Dam 1st Series

On May 12, 1977, the Central Bank of Uruguay, will receive proposals for the issue of 10-year Treasury Bonds in the amount of US Dollars 15,000,000 at a 10 per cent. Annual Interest and redemption at par starting 1983.

BNP

Group Head Office: 16 Boulevard des Capucines 75009 Paris Tel: 522-55-00 Telex: 280 605

Second half lifts Averys to £14.7m.

SECOND-HALF 1976 pre-tax profits of weighing, testing and measuring machine manufacturers Averys improved by £2.04m. to £2.21m. At half-way, reporting an increase in profit from £3.57m. to £5.46m., the directors said that the second half should show some improvement over the corresponding period for 1975. The advance put the company £4.83m. ahead at £14.7m. for the year as a whole.

Earnings per 25p share are shown to be up from 12p to 18.9p and the final dividend is set at 1.5p, the total from 4.725p to 5.20145p.

At half-time pre-tax profit was down from £316,000 to £231,000 and the directors anticipated that during the second half the revival in home demand would enable the group to move ahead once more within the limits imposed by counter-inflation measures—their enforced restriction would then have ended.

Subject to any major national industrial upset it is expected that profits for the full year will show a considerable improvement over the previous year, he adds.

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	1976	1975
Sales	28.23	21.14
Operating profit	1.75	1.26
Exchange losses	0.23	0.23
Interest	0.23	0.23
Profit before tax	1.98	1.26
Taxation	0.23	0.23
Minorities	0.23	0.23
Attributable	1.75	1.26

At the attributable level, profit is 35.4 per cent. higher at £1.91m.

The coupon rate on this week's issue of local authority securities has included a head-on assault of a point to 9 per cent. The bonds are due on May 17, 1978, at par.

The issues are: Alwicks District Council (£0.1m.), Chelms District Council (£0.1m.), London Borough of Greenwich (£1m.), Stoke-on-Trent (£1m.), Test Valley District Council (£0.5m.), Metropolitan Borough of Spalding (£0.2m.), London Borough of Camden (£1m.), London Borough of Lambeth (£1m.), London Borough of Lewisham (£1m.), Vale of Glamorgan District Council (£1m.), Graysborough Council (£1m.), Doncaster Metropolitan Borough Council (£1m.), Boothferry District Council (£1m.), Hertfordshire County Council (£1m.), London Borough of Redbridge (£1m.), West Yorkshire Metropolitan Council (£1m.), City of Liverpool (£2m.), City of Glasgow District Council (£1m.), City of Leicester (£1m.), Tandridge District Council (£1m.), City of Westminster (£1m.), North Warwickshire Borough Council (£1m.),

Water issues: Underwriting has been let for an Offer for Tender of £2.25m. of 3 1/2% Redeemable Preference 1982, on behalf of the District Water Company and Wrexham and East Shire Water Company (1). Full particulars will be available on Thursday. Brokers to the issue: Seymour, Pierce & Co.

DALGETY—£7.71 The £1.5m. rights issue by Dalgety on the basis of £1m. City of Aberdeen (£1m.) North Warwickshire Borough Council (£1m.),

Yearling at 9 3/8%

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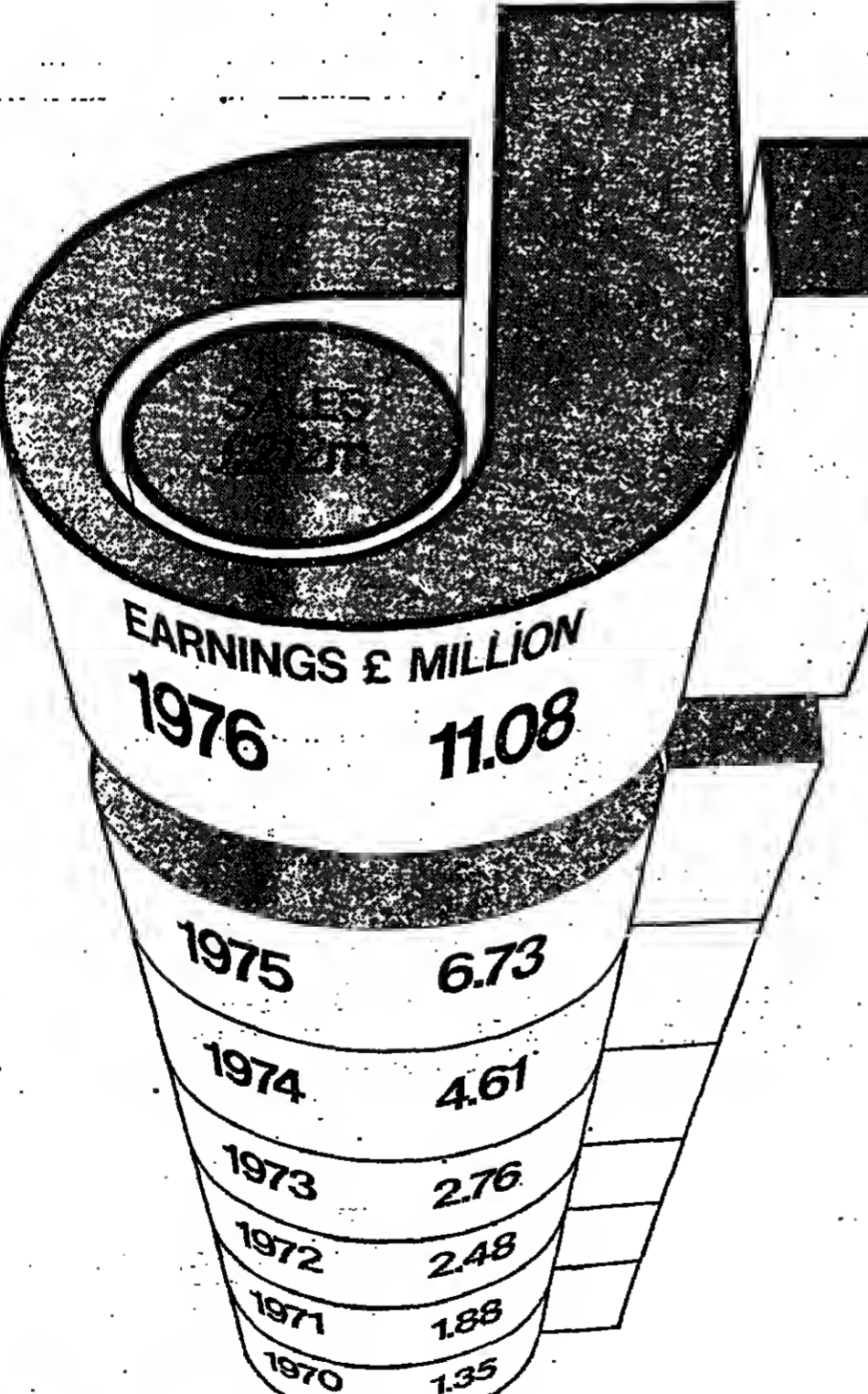
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54% increase for Costain

54% increase for Costain
 Richard Costain improved by 54% per cent to a record £23.1m. in 1976 on turnover 88 per cent ahead at £385m.

In September last year the directors forecast "significantly better" results.

And for the current year Mr. P. Scott, chairman, says expansion is being concentrated on international activities and the company's further satisfactory growth in 1977 turnover and profits—on a sound and profitable basis—will be £385m. of which £10m. was for overseas work.

Started earnings per 25p share in 1976 were up from 11.5p to 17.5p and the 1977/78 total to 3.09p/7p compared with 2.815p/7p adjusted for the one-for-two scrip.

Mr. Scott is expected to say 88p/88p (total dividend of 0.949p) will be paid.

1976	1977
Turnover	£385.0
Operating profit	£23.1
Net profit	£17.5
Dividend	0.949
Share price	175
Market cap	£1.1m

Peak year seen by Tricoville

Peak year seen by Tricoville
 Announcing a 19 per cent increase in pre-tax profit from £6,000 to £7,200 for the year ended January 31, 1977, Mr. D. G. Jacobs, chairman of Tricoville, high designs, produces and markets fashionwear, says he is confident of a further increase in next year's record.

The net interim dividend, of 1.0p, is expected to be paid in the half-year report on May 22. Last year's revenue was £11.2m. After tax profit improved by 21 per cent to £3,500.

£10m. at Lesney Products

£10m. at Lesney Products
 PRE-TAX profits for the year received at the international toy January 30, 1977 at Lesney Products and Co. the "Matchbox" toy company came to £10.1m. compared with £8.9m. (revised). Turnover has risen from £45.2m. to £56.4m. in the first 24 weeks of the year.

The final dividend is 1.86p net per 5p share for a total of 2.6p net per share, compared with 1.86p. This amounts to 5p gross, including the imputed tax credit, which will be subject to the basic rate of tax to be reduced to 10 per cent by the end of the year.

Mr. P. M. Tapscott, chairman, says that profits have benefited from currency gains to the extent of some £2.2m. (£1.1m.) of which £2.2m. (£1.1m.) arose from a change in the conversion rate applied at the year-end to profits of overseas subsidiaries.

The year has been one of marked success, he says, with earnings on capital employed held at 28 per cent and with liquidity improved by £2.5m. The company is in a position of strength. Since the year-end, the outstanding £1m. debenture has been repaid in cash at 90 per cent.

Policy of expansion continues the growth of earnings. To this end, Lesney has set up a subsidiary in Japan, and has strengthened its position in the U.S. of Virginia Dolls, a well-established manufacturer and brand name.

The industrial die-casting activities at home have also been broadened by the purchase of VMC Limited at Chertsey, specialists in vacuum metallurgy and spray painting.

1976	1977
Turnover	£56.4
Pre-tax profit	£10.1
Net profit	£7.2
Dividend	2.6
Share price	185
Market cap	£1.1m

British Industries Trust

British Industries Trust
 Revenue of British Industries and General Investment Trust rose from £10,400 to £12,200 for the six months to March 31, 1977, before tax of £3,800, compared with £2,800. Gross income was £17,400 (£17,200).

The net interim dividend is held at 1.05p per 5p share. Last year's total was 1.05p and revenue £24,356. Net asset value for the half year was 130.5p compared with 122p at September 30, 1976.

Unilever first quarter results

(£ millions)	Combined 1977	1976	Increase/ (Decrease)
SALES TO THIRD PARTIES—Combined	2,351	2,086	+13%
—Limited	998	865	
—N.V.	1,353	1,221	
OPERATING PROFIT	123.4	135.4	-(9%)
Non-recurring items	—	—	
Income from trade investments	0.3	0.4	
Concern Share of associated companies' profit before taxation	14.1	3.7	
Interest	(8.6)	(6.2)	
Interest on loan capital	(12.1)	(9.8)	
Other interest	3.5	3.6	
TOTAL CONCERN PROFIT BEFORE TAXATION	129.2	133.3	-(3%)
Taxation on profit of the year:			
Parent companies and their subsidiaries	(64.3)	(61.7)	
Associated companies	(6.4)	(1.5)	
Taxation adjustments previous years:			
Parent companies and their subsidiaries	(3.0)	(0.6)	
Associated companies	—	—	
Outside interests and preference dividends	(3.4)	(7.2)	
Outside interests	(2.4)	(6.2)	
Preference dividends	(1.0)	(1.0)	
Total concern Profit attributable to ordinary capital at rates of exchange ruling 31/12/76	52.1	62.3	-(16%)
Difference arising on recalculation of 1977 results at end March 1977 rates of exchange	(0.7)	—	
TOTAL CONCERN PROFIT ATTRIBUTABLE TO ORDINARY CAPITAL	51.4	62.3	-(18%)
—Limited	32.7	27.0	
—N.V.	18.7	35.3	
Earnings per 25p of capital	13.84p	16.77p	-(18%)

As has been our practice the results for the quarter and the comparative figures for 1976 have been calculated at comparable rates of exchange. These are based on £1=F. 4.18=US\$ 1.70, which were the closing rates of 1976. Total concern profit attributable to ordinary capital for the first quarter has also been recalculated at the rates of exchange current at the end of March 1977 being based on £1=F. 4.29=US\$ 1.70.

Accounting policies
 Unilever, which has a minority shareholding in UAC of Nigeria, has a marked effect on the reported figures and makes comparisons difficult. It is this factor which is excluded from the figures in the table above. The influence in management and trade investments where we have no shareholding, results of Associated Companies have in total been immaterial and, therefore, such companies have been treated as Trade Investments with only income received taken up in the consolidated Profit and Loss Account. The Sales and Operating Profits of Associated Companies and Trade Investments are not included in the Concern figures.

Results
 The change in the shareholding of UAC of Nigeria from 60 per cent to 40 per cent in June 1977, that company ceases to be a subsidiary and becomes an associated company with retrospective effect in the consolidated accounts from 1st January 1977. Consequently, UAC of Nigeria sales and operating profit are no longer in the consolidated figures. After UAC of Nigeria becomes an associated company total results of Associated Companies become material and a change in accounting policy is required. As from 1st January 1977, therefore, our share in the results of associated companies will be shown separately after operating profit.

The 1976 figures are restated on the new accounting basis: sales and operating profits for that year are unaffected but profit before taxation and profit attributable are increased in the first quarter by some 1 per cent over the originally published figures, due to the inclusion of our share of results from associated companies which were previously treated as trade investments.

BANK OF SCOTLAND

ANNUAL GENERAL MEETING
 The 28th Annual General Meeting of the Proprietors of the BANK OF SCOTLAND was held yesterday in the Head Office of the Bank in Edinburgh. The Right Hon. Lord Clyde, Governor of the Bank, presided.

The Governor referred to the statement, which was issued to the Proprietors along with the Report and Accounts, and added:

"Since my statement to the Proprietors was prepared in early April, there have been four further reductions in minimum lending rate and two consequential reductions in the base rates of this and other clearing banks. While these decreases have been generally welcomed as calculated to make the cost of borrowing more tolerable, it is rather significant that the decline in interest rates which commenced in November 1976 has not been accompanied by a corresponding upsurge in borrowing by manufacturing industry. On the contrary, under-utilisation of advance limits and a dearth of new applications is an experience shared by all the clearing banks."

Why should this be so? There can be many explanations but I suspect that what we are witnessing underlines the truth that it is not the cost of money which deters industrialists from borrowing but, rather, the confidence that once funds have been borrowed they can be put to proper use. Despite the I.M.F. loan, despite the prospective revenues from the North Sea, despite the signs that organised labour has by and large recognised the necessity of moderation, confidence in the future is still lacking.

Is such faithlessness justified, it may be asked? I do not know. If it is justified, but I can well understand how it comes about. Industrialists have grown weary of the shifts and changes of Government policy and are frustrated at the degree of interference to which they are subjected. There is a general feeling that the ship of state has gone badly off course and lost weight and that, even with a change of crew, the job of getting it back on the right track is formidable, and so industry follows a policy of caution, of keeping options open, of staying off investment decisions and, above all, of preserving liquidity.

There can be no doubt that if the downturn of interest rates continues, it will have a marked effect on banking profits—the "endowment" element which has helped to cushion these against the ravages of inflation has already dwindled, while operating costs, though held in check up to a point by pay restraint, show no signs of levelling off. Containment of costs and a vigorous pursuit of new sources of profit will become the keynote of our policy and, I have no doubt, that of our competitors. We have cause to be thankful now for our steady decision to stick to the country as a whole and banking in particular was far from that a very different matter. When Government, with all its resources, can be so consistently out in its forecasts, I would be rash indeed were I to say more than that the British have a remarkable instinct for survival and that, if trials and tribulations do emerge for us all in the coming months, it may be that, by rekindling that instinct, they will place the Nation's feet back on the path to recovery."

Mr. W. N. Renfrew proposed the adoption of the audited accounts for the year ended 28th February 1977 and the Directors' report. The motion was carried.

The Governor moved that a final dividend on the capital stock of the Bank be declared at the rate of 4.884p per £1 of stock and that it be paid on 23rd May 1977 to Proprietors on the register at close of business on 28th April 1977.

The motion was carried.

The Governor then moved, as special business, that changes in the regulations, scheduled to the Bank of Scotland Act, 1920 of which due notice had been given to the Proprietors should be approved. Foremost among the changes, he explained, was the provision whereby two Deputy Governors could be appointed. This motion also was agreed to.

The Right Hon. Lord Clyde, K.T., C.B., M.B.E., T.D., L.L.D., D.Sc., The Right Hon. Lord Balfour of Burleigh, C.Eng., F.I.E.E. and Mr. T. N. Risk, B.L., were unanimously elected Governor and Deputy Governors all for the current year. Sir Alexander Blair, K.C.M.G., T.D., Mr. D. J. MacLeod, C.A., Mr. W. F. Robertson and Mr. T. W. Walker, C.R.E., B.L., who retired by rotation, were re-elected as Directors and, to fill the vacancies arising through the retiree of Mr. T. R. Creig, C.B.E., T.D., L.L.D., Deputy Governor and Mr. T. D. Barclay, Sir Richard Pease, B.T. and Mr. A. N. Pelham-Burn were also elected to the Board.

AUDITORS
 Messrs. Arthur Young McLellan Moore and Company, Chartered Accountants, Edinburgh; and Messrs. Graham Kinross and Company, Chartered Accountants, Glasgow, were re-appointed as Auditors.

VOTE OF THANKS
 A vote of thanks to the Governor was proposed by Sir Donald Lidell, J.P., L.L.D., D.L., C. St. J.

Selincourt's best ever £3.18m.

Selincourt's best ever £3.18m.
 AFTER being up by 80 per cent to £1,000,000 at half-time, pre-tax profit of Selincourt more than doubled from £1.2m. to a record £3.18m. for the year ended January 31, 1977. Exports were 38.2 per cent higher at £4.1m. Second-half profits were expected to "substantially exceed" the first half, according to the directors last October.

Stated earnings per 5p share for the year are 7.86p (3.68p) before tax and 6.12p net after a final dividend of 0.56p net steps up the total from 0.79p to 0.96p. Treasury consent has been obtained on grounds of recovery.

The directors report that all group companies which are engaged in the textile industry are now trading profitably. They predict a further significant increase in profits for the current year.

1976	1977
Turnover	£12.5
Pre-tax profit	£3.18
Net profit	£2.6
Dividend	0.56
Share price	185
Market cap	£1.1m

The low tax figure arises mainly from the decision taken no longer to provide for deferred tax on stock appreciation relief except for £500,000 which has been provided as a contingency provision. A further contributing factor has been to set-off for tax purposes the profit of French subsidiary Tricoisa S.A. against part of the company's accumulated losses of previous years.

Goodwill standing at £1,328m. last year has been completely eliminated by set-off against shares. After providing for this, shareholders' funds have increased by £2,923m.

comment
 Good profits were expected from Selincourt, but a more than doubled pre-tax figure topped most expectations and the shares rose 11p to 185p. Both the two main divisions were active in this performance. Garment manufacturing profits went up £1m. to £1.6m., taking in a £871,000 turnover from the French Tricoisa to £451,000 profit and the Scottish knitwear group, MacDougall, reduced its loss by nearly £100,000 to £42,000. Textiles put up an equally good result with profits up from £300,000 to £390,000. For the balance sheet long- and medium-term debt is marginally lower and the overdraft is £2m. higher at £5m. but this has been consumed in stock and net current assets are over £2m. higher at £7.5m. This year's substantial increase is expected from Tricoisa, MacDougall will be doing better and textiles should be up. All in all perhaps £2m. pre-tax in prospect. On a low charge the 1977/78 dividend yield is 8.1 per cent, not a demanding rating given the prospects.

PHILIP HILL
 Philip Hill Investment Trust announces that the multi-currency loan facilities of £501.2m. due for

This and future announcements of Unilever Quarterly Results will be reprinted in leaflet form. If you wish to be included in the mailing list for these leaflets please write to: Information Division, Unilever House, London EC4P 4BQ. 10th May, 1977

Is there a better solution to your import and export financing problems?


In a fast-changing international scene, it's more than likely that you could find it profitable to review your trade financing arrangements—if only to make sure that they're as efficient as they should be.

And when you do review them, you'll probably find that we at A P Bank can help you to a more efficient—and profitable—solution.

Not only are we specialists in international trade—we're also specialists in providing tailor-made solutions to individual problems; and in the kind of professional service that comes only when a customer is the personal responsibility of a senior manager who can make immediate decisions.

As a bank with many years' experience of international trading, we know as well as anyone that importing or exporting is never an easy job.

But if you'd like to find out how we may be able to remove some of the difficulties, please call 01-588 7575, and speak to David Ollett or Greg Brzeskewski. They'll be happy to help you—personally.



A P Bank Limited

A member of the Norwich Union Insurance Group

7 Bishopsgate, London EC2N 3AB.
 Telephone: 01-588 7575. Telex: 888218.

Unilever first quarter profit £129m.

SALES of the combined Unilever group rose 3.3% in the first three months of 1977 and operating profit was £129m. — at the pre-tax level the figure was £129.2m.

The results show a 13 per cent. increase, a decrease of 9 per cent. in operating profit, and a 3 per cent. drop in the pre-tax level. However, excluding the effect of the change in the shareholding of UAC of Nigeria from 60 per cent. to 40 per cent., which means that it becomes an associate and not a subsidiary, sales rose by 17 per cent. in value and 3 per cent. in volume, and operating profit improved by 6 per cent.

Third party sales include a contribution of £1,555m. (£1,221m.) from the NV company and £18.7m. (£25.3m.) to the total attributable profit of £51.4m. (£52.3m.).

Stated earnings per share are down from 16.7p to 15.8p.

The directors report that in Europe total operating profit was slightly above last year's first quarter significantly better results in the U.K. being largely offset by a deterioration in those on the Continent. European margins for consumer goods were affected by inability fully to recover an abnormally increased raw material costs, owing in some cases to the effects of price controls. Results of chemicals, of paper, plastics and packaging were also affected. Feeds were above 1976. Oil milling, detergents and toilet preparations lagged behind.

In Canada and the U.S. the business other than Lipton Inc. had a difficult start to the year. Total results of other overseas countries were well up on the corresponding 1976 quarter.

UAC International had a good quarter. Had it not been for the effect of the reduction of its shareholding in Nigeria, its results would have shown a satisfactory improvement.

Tax on profit of the year has increased, partly because of higher German profit tax rates and partly because of a non-recurring tax charge in Nigeria. The rise in German profit tax is also the main reason for the increase in tax adjustments of previous years since additional provision had to be made for deferred tax liabilities. Thus, non-recurring tax charges in the quarter amounted to £5.5m.

The 1976 figures are restated on the new accounting basis; sales and operating profits for that year are unaffected but profit before tax and profit attributable are increased in the first quarter by some 1 per cent. over the originally published figures, due to the inclusion from associates which were previously treated as trade investments.

See Lex Statement, Page 23

	1977	1976
First quarter	1977	1976
Sales	2,351	2,286
Operating profit	1,292	1,221
Profit before tax	1,284	1,254
Profit attributable	51.4	52.3
Shareholders	14.1	14.7
Loan capital	2.1	2.1
Profit before tax	122.2	133.3
Tax: Parent companies	2.4	2.4
Associated companies	6.4	6.5
Taxation ad. prior years	0.8	0.8
Parent companies	2.4	2.4
Preference dividends	1.6	1.0
Reconciliation	0.7	0.7
Attributable ordinary	51.4	52.3
Limited	22.7	27.0
Unlimited	28.7	25.3

Turriff tops £0.8m. — scrip

THE INTERNATIONAL engineering and contracting group, Turriff Corporation, increased pre-tax profits from £659,910 to £812,372 for 1977 over turnover up from £24m. to £26m.

Profit after tax is £392,301 compared with £308,370 before a write-off of £190,965 in connection with the settlement of the Barban and Sudan contracts; minority interests amount to £5,532 (£1,851).

Stated earnings per 25p share rose 25 per cent. from 14.2p to 17.8p and the dividend is 4.15p per share (£3,751.2p). The maximum permitted 1977 dividend scrip issue is also proposed to achieve a more realistic balance between share capital and reserves.

At half way profit increased from £0.28m. to £0.31m.

MINING NEWS

Old Homestake is still going strong

BY KENNETH MARSTON, MINING EDITOR

AMERICA'S biggest surviving copper mine is the Homestake property near Sisseton in the Black Hills of South Dakota. Its story began in 1874 when General Custer's men on an army expedition found placer gold in the nearby streams.

First mining of the deposit began in 1875 and in the ensuing 100 years Homestake produced over 30m. ounces of gold. The early soft hats and candles have long been replaced by modern equipment and the great old mine is still going strong.

Homestake's centenary last year was marked by the fall in the bullion price which resulted in the gold operations running into losses after having contributed 35 per cent. of the company's total operating earnings in 1973.

Thanks to the uranium and lead-zinc activities, however, coupled with a \$3m. (£1.7m.) profit on the sale of coal lands, Homestake made a net income last year of \$21.9m. (£12.7m.), or \$1.93 per share, compared with \$24.2m. in 1976.

Better tidings are in store for the current year. The Homestake president, Mr. Paul Henshaw, anticipates increased earnings from silver, lead and zinc while last year's "substantial rate of increase" in uranium profits is expected to continue in 1977. From next year on uranium earnings will depend on the extent and timing of the new Pitch mine and the sale of production from other sources.

As far as gold is concerned, the old Homestake mine must now be back to profits in the light of the president's disclosure that it can produce a gold yield of 1.33 per ounce of bullion for \$147 yesterday. Meanwhile, Homestake is backing its faith in gold in Australia via the 48 per cent. stake held in Mt. Isa. The current year's gold mine still operating in the once-famous Kalgoorlie goldfield.

The other 52 per cent. is held by Kalgoorlie Lake View and the two companies are going ahead with the development of a treatment plant programme. This is designed to reduce costs, which are currently \$4125 per ounce (\$138), by about \$410 per ounce. If successful the scheme will thus prolong the life of Mt. Isa. Homestake are around \$41 in New York.

Union Miniere profits drop

DESPITE BETTER metal sales, the Belgian group, Union Miniere, suffered a 16.5 per cent. fall in net profits last year. Earnings were B.Fr.819.76m. (£132m.) against B.Fr.958.46m. in 1976. Earlier the group had announced a lower dividend for the year at B.Fr.500 (£96), down from B.Fr.700 the previous year.

Union Miniere states in its annual report that income from company deposits and advances was affected by the fall in short-term interest rates where dollar investments were concerned.

Although there was an unimpressive start for the Thibery copper project in Ontario, the group's operating results showed a marked improvement, producing income of B.Fr.319.9m. compared with a loss of B.Fr.250.5m. in 1976. Thibery came into production last August at a higher cost than originally expected, and lost a month's production because of strikes.

The report adds that the group's U.S. subsidiary, Union Mines, is to establish a company to hold a 45 per cent. interest in the Oracle Ridge copper project in Arizona. The other shareholder is Continental Materials of Chicago.

Union Miniere shares were £21, down 1, yesterday in advance of the report.

ENNIA NV

(Established at The Hague)

Shareholders are invited to attend the annual General Meeting of Shareholders to be held in the "Residential" of the Promenade Hotel, Van Stollweg 1 at The Hague on Thursday the 2nd June 1977 at 10.30 a.m.

AGENDA

1. Opening.
2. Minutes of the meeting of June 3rd. 1976.
3. Report of the Management Board for the financial year 1976.
4. Discussion and approval of the annual accounts for 1976 as confirmed by the Supervisory Board.
5. Notification of retirement and appointment of a member of the Management Board.
6. By reason of reaching the age limit Mr. E. B. H. van Schoot will retire from the Management Board. The Supervisory Board intend to appoint Mr. P. L. van der Meulen as a new member of the Management Board.
7. Retirement and appointment or reappointment of Supervisory Directors. In conformity with Article 14 of the Articles of Association, Mr. J. Bosman, Mr. C. de Rantz and Mr. K. Soesbeck are due to retire by rotation. Mr. de Rantz and Mr. Soesbeck will not be eligible for reappointment by reason of their reaching the age limit.
8. The Supervisory Board intend to reappoint Mr. Bosman and to appoint Mr. E. ten Duis and Mr. H. Rijsema as new members of the Supervisory Board.
9. At the annual General Meeting of Shareholders to be held in 1978 Mr. R. van dan Berg, Mr. J. Engelink, Mr. W. T. Kroese and Mr. W. Scholten will be due to retire.
10. All these vacancies will be filled by reappointment.
11. Appointment of Auditors.
12. A proposal will be made to reappoint Mout & Lange as Auditors.
13. To consider and if thought fit to pass the following resolution "that, subject to the approval of the Supervisory Board of Ennia N.V., the Management Board be authorised to issue Ordinary Shares up to an amount not exceeding ten per cent. of the then Ennia Ordinary Share Capital without the same being put offered to existing equity shareholders, in accordance with the Listing Agreement of the London Stock Exchange."
14. Any other business.
15. General.

Holders of share certificates (BDRs) of the Company are entitled to attend, and take part in the discussions, but may not vote. Admission will be by presentation of written proof that their certificates have been deposited at the office of a member of the "Vereniging voor de Effectenhandel" in the Netherlands or in England, at the office of "Algemeen Bank Nederland N.V." in London.

The share certificates must be deposited not later than the 31st May 1977.

Holders of shares or share certificates (BDRs) may obtain free copies of the documents to be discussed at the meeting at the Company's offices in The Hague, Amsterdam and at the office of Ennia Insurance Company (U.K.) Limited in London.

The Hague, May 11th. 1977. Management Board.

*The information required by law concerning the above mentioned gentlemen is available for inspection at the Company's offices at The Hague, Amsterdam and at the office of Ennia Insurance Company (U.K.) Limited in London.

35% rise by Ellerman Lines

AN INCREASE in pre-tax profits of 35.3 per cent. is reported by Ellerman Lines, the diversified shipping and operating group. Pre-tax profits for 1976 jumped to a new record of £12.4m. compared with \$9.2m.

Net earnings per deferred Ordinary stock unit are £1.60 compared with £1.06 for the preceding year.

The final dividend per deferred Ordinary stock unit is £1.60 which makes a total of 5.45p compared with 4.95p.

Turnover was £137m. against £95m. This year's figure includes a 12-month contribution from the J. W. Cameron brewing division, compared with about three and a half months' contribution in the previous year. On September 11, 1976, Ellerman Lines took over 100 per cent. of the shares of Cameron it did not already own.

chairman, reports that the shipping division—Ellerman City Lines—had a better year, contributing a trading profit, at £4.6m. was £2.9m. more than in 1976. Much of this increase says Mr. Martin-Jenkins "came from our investments in Associated Container Transportation (Australia) and Ben Line Containers, but many of our exclusive trades also succeeded."

J. W. Cameron, the brewing division, registered a considerable profit increase and the division achieved volume growth well above the national average. He states, however, that sales of £28.27m., and profit was £1.44m. (£1.39m.) after tax of £1.67m. (£1.02m.). Profit attributable was £1.4m. (£1.36m.). Profit on trading includes profit on sales of properties £254,000 (£53,000), it is reported.

The Ordinary dividend absorbs £388,000.

The accounting date was changed to December to coincide with the holding company and comparatives have been calculated from internal accounts.

No payment of corporation tax is expected as a result of group relief available from the holding company.

EWL, the transport division, turned in a trading profit for the year of £718,000, about £390,000 up on 1976. Of this increase, the shipping and forwarding activities were the main contributors, members are told.

The travel and leisure division, however, had a most difficult year and much remedial action was taken during 1976. Bookings for this year are so far showing the

benefits of this policy and there are signs of an improved 1977, Mr. Martin-Jenkins states.

The investment services division, which includes the London and Hull insurance group, had a satisfactory year, he reports. He is confident that the divisional base is constantly being strengthened and that it will be a source of sound profitability for the future.

Turning to the company's plans for the future, Mr. Martin-Jenkins says that Ellerman Lines still wants to balance its large and growing shipping operations with non-shipping activities. Despite increasing borrowings associated with further shipping investment, the group has its resources to diversify, he states.

"During the year we increased our brewing capacity and outlets and invested in property through the extension of our head office building and the Belfry Hotel complex," Mr. Martin-Jenkins reports.

"In 1976 we also spent large sums on shipping assets. We took delivery of three new advanced cargo liners and one of our roll on/roll off ships, Hero, was lengthened to increase her cargo capacity."

"In 1977, together with our partners, we will take delivery of Uncle John, a uniquely versatile ship for supporting the offshore oil industry, of ACT for use in the Antarctic. The Canberra Transportation (Australia) trades, and of City of Durban for the new South Africa container service. We have also ordered five ships from Repco for use in Scandinavian and Mediterranean waters."

Mr. Martin-Jenkins does not expect Ellerman Lines to make 1976's £3.1m. in the first half of this year, but thinks that the company will finish 1977 at approximately the same level as last year. He feels more optimistic about 1978, however, when the group's large investment programme should begin to realise its earning potential.

Net working capital increased during the year by £3.83m., compared with a decrease of £1.65m. The annual meeting will be held at the Connaught Rooms, Great Queen Street, W.C. on June 2 at noon.

Oil Exploration (Holdings) Limited

INCREASED EARNINGS AND DIVIDEND

The Group, which is engaged in the exploration for and production of oil and gas in the United Kingdom and North America showed the following results for 1976:

	1976	1975
Group Turnover	2,479,550	1,832,426
Operating Profit	1,487,046	1,232,322
Profit after exploration written off and taxation	670,888	360,840
Earnings per Share	6.89p	3.44p
Dividend per Share	1.89p	1.718p

The Group has a 6.52% interest in the "Thelma" oil discovery on block 16/17 in the U.K. Sector. In December the Group acquired the U.S. production company Bates Oil Corporation. "The Group is now more broadly based both geographically and operationally and is consequently better placed to fulfil its exploration and development commitments in the U.K. Continental Shelf and elsewhere."

C. M. Dalley, C.M.G. Chairman

Copies of the 1976 Report and Accounts may be obtained from the Secretary, Oil Exploration (Holdings) Limited, Erskine House, 68 Queen Street, Edinburgh.

ABRASIVES INTERNATIONAL LIMITED

Policy of reorganisation

Selient points from the circulated statement of the Chairman, Mr. S. I. Ashworth:

- * The profit before taxation for the year ended 31st December 1976 was £6,061 (1975 £35,505) and this is a very disappointing result, mainly attributable to our inability to pass on suppliers' increased prices, export sales for the period not achieving expectations, and inefficiencies within machine engineering.
- * The profitability of the service and consumer products side of Abrasives Developments Limited continues at a satisfactory level. The engineering operations however have not been satisfactory and reorganisation is taking place. Associated Fabricated Products (Henley) Limited has continued to trade profitably.
- * In the circumstances, and bearing in mind reorganisation costs, your directors feel it would be imprudent to pay any further dividend in respect of the year. Accordingly, the total dividend for the year is represented by the interim dividend already paid amounting to 0.56p per share.
- * Action has been initiated to improve the group's performance. Some beneficial effects of these remedial measures are becoming apparent, but it is still too early to indicate whether or not we are on the way to complete recovery.

Copies of the Report and Accounts may be obtained from The Secretary, Norman House, Henley-in-Arden, Solihull, West Midlands

GEOMETALS HAS A PARTNER

Australia's Geometals has entered into an agreement with Consolidated Morrison Exploration

Unit trusts bar tin move

INCREASE in 1976-77 dividends over 1975-76 of 62 per cent. for the unit trusts, 72 per cent. for individual shareholders and 124 per cent. for Malaysian shareholders.

Under the company proposals he calculated the increases at 8 per cent, 35 per cent and 194 per cent. respectively. After the meetings he adjusted downwards the calculated rises for Malaysian shareholders.

Mr. St. Giles was supported at the meetings by representatives from the M. and G. Group, Sars and Prosper, and Briannia.

Mr. Durco rejected the request to be carried out the payment of Advanced Corporation Tax and that there would be an adverse effect on the company's cash assets.

The Stock Market took the news of the meeting calmly and the shares of the companies involved closed unchanged.

TRONOH'S TIN PRODUCTION

Tin concentrate production at Tronoh last month was affected by the shutdown of the Bidor No. 4 dredge for 17 days for repairs in Arizona. The company's output for the last four months, however, is still ahead at 728 tonnes against 640 tonnes a year ago.

Ayer Hitam's 10-month output has reached 3,504 tonnes against 3,500 tonnes in the same period of 1975-76 while that of Suprem (formerly Sungai Way) is 528 tonnes against 448 tonnes.

	1976	1975
Turnover	14,772	10,557
Pre-tax Profits	1,565	1,302
Earnings per Ordinary Share	18.49p	*16.01p
Total Net Dividend per Ordinary Share	4.3042p	*3.9130p

*adjusted for capitalisation issue.

Stag Furniture Holdings Ltd.

Record profits for sixth successive year. Turnover increased by 40%; pre-tax profit by 20%.

Company in a strong and liquid financial position.

Satisfactory trading in the first three months of 1977.

Points from the statement by Mr. P. V. Radford, Chairman

Copies of the Report & Accounts may be obtained from the Secretary, Stag Furniture Holdings Limited, Haydon Road, Nottingham NG5 1DU.

Unit trusts bar tin move

BY PAUL CHEESEGIRT

UNIT TRUSTS have foiled the plans for two London-based tin companies to change their domicile to Malaysia, where their mining interests are situated.

The unit trusts, which are managed by the trustees called to approve schemes of arrangement for the change in residence of Southern Kinta Consolidated and Southern Malaysia Tin Dredging, U.K. shareholders. When suggestions of an adjustment were rejected they cast their votes against the change of domicile.

In the Southern Kinta meeting, voting for the company proposals for U.K. shareholders was 19 per cent. in favour and 77.75 per cent. against. In the case of Southern Malaysia the voting was 66.07 per cent. in favour and 33.93 per cent. against.

At two further meetings proposals for Kamunting Tin Dredging to move to Malaysia were approved by 69.81 per cent. of the shares and 0.19 per cent. and plans for Malaysian Tin Dredging to follow the same path were passed by 53.48 per cent. of the shares to 14.54 per cent.

The unit trusts do not have any objection to the Malaysianisation of the companies. But they argued at the meetings and in series of discussions beforehand for higher dividend payments for U.K. shareholders. When suggestions of an adjustment were rejected they cast their votes against the change of domicile.

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BIDS AND DEALS

£5.65m. agreed bid for Lighting and Leisure

An agreed take-over bid worth 14,000 Simonside Investment in... has been made for 91p for associates of Simonside... Lighting and Leisure Group by and bought 25,000 English and...

ASSOCIATE DEALS

Lowry and Phipps, Hurst Brown... Friday bought for discretionary... share price of 45.5p. The...

ACQUISITION BY REDIFFUSION

Rediffusion (South West) of... the acquisition of the assets of the business... Drury and Co. (Torquay), which...

NEEPSEND

Neepsend has completed the... purchase of Jessop Steel Com... of the American... Corporation...

GRAFF LISTING TO BE CANCELLED

Eye Gee will be moving to... larger premises within a few... months in order to provide...

SHARE DISCLOSURES

Grand Met. chief shares sale

MR. MAXWELL JOSEPH, chairman of the Grand Metropolitan... shares, 45p, up 1p... The holding would have been worth £85,000 at last night's...

TAKE-OVER TALKS AT STOREY BROS.

The share price of Storey Brothers, manufacturers of vinyl... sheeting and coating fabrics... leaped 3p yesterday to 110p...

EYE GEE EXPANDING

The Eye Gee Company, wholesalers of hospital textiles... dabsery, etc. which was acquired... by the Rockfield Group last...

REPORTS TO MEETINGS

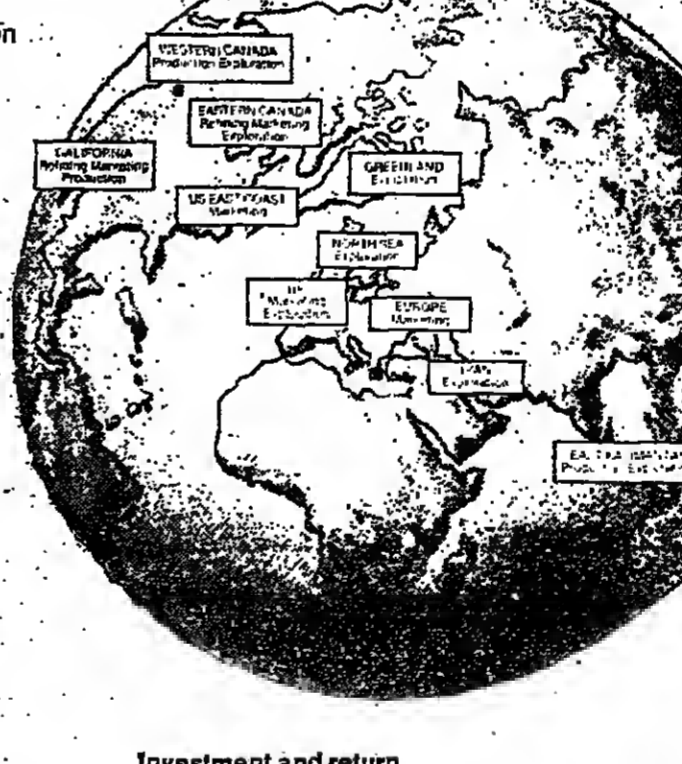
Oil Exploration at a plateau

SHAREHOLDERS in Oil Exploration... (Holdings) look like having... wait three weeks or more for... of the 'shorter well being...'

The Strength of Ultramar

Extracts from the Statement by the Chairman, Mr. Campbell Nelson

The year in brief The financial results for 1976 were, on the whole, satisfactory. Group profit before taxation was £16.5 million and net earnings £11.3 million.



Benefits to shareholders These two large investments could not have been possible without the forbearance, year after year, of shareholders over payment of cash dividends.

MONEY MARKET

Small assistance

Bank of England Minimum... (Rate) 8 1/2 per cent. (since April 28, 1977) 10-12 per cent. credit was in... supply in the London money...

Where our strength lies

The strength of Ultramar is that it is a multinational integrated oil operation. It operates or buys or sells or has trading interests in twenty countries, and has oil and gas reserves in Indonesia, Western Canada and in the U.S.A., which we report for the first time in the Annual Report.

Investment and return

Our two greatest investments in recent years have been E84 million in Quebec and E56 million in Indonesia. As regards Quebec we have not so far seen an acceptable return on our investment.

Operational return

Our Indonesian oil production in 1976 gave us an appreciable addition to Group profits, but it is the gas and condensate production which will make a really significant difference to our operational results.

Table with columns for various financial metrics like Sales, Profit before taxation, Taxation, Net earnings, etc. for years 1976, 1975, 1974, 1973, 1972.

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To: The Secretaries Ultramar Company Limited, 2 Broad Street Place, London EC2M 7EP. Name Address

Ultramar Company Limited

INTERNATIONAL FINANCIAL AND COMPANY NEWS



Randalls Group Limited

Distributors of Building, Engineering and Electrical Materials

1976 IN BRIEF

Table with 2 columns: 1976 and 1975. Rows include GROUP SALES, TRADING PROFIT, PROFIT BEFORE TAX, TAXATION, DISTRIBUTABLE PROFITS, EARNINGS PER ORDINARY SHARE, DIVIDENDS PER ORDINARY SHARE, Interim, Tax Credit, Proposed Final, Tax Credit.

The Chairman, Mr. C. R. Randall, reports: In 1976 we gave priority to the expansion of our trade in the home improvement markets. Good results have been generated by positive marketing and advertising. Industrial markets, however, have been slow and a really significant advance in sales of engineering and electrical materials probably awaits greater industrial activity.

Quebec Hydro \$50m. issue postponed

QUEBEC HYDRO'S proposed \$50m. issue was yesterday postponed indefinitely while the market rather less than the Province's 9 per cent. bank due for announcement yesterday evening for Quebec Province is now not due until this afternoon. The postponement of the Quebec Hydro dollar offering surprised the market rather less than the initial offering last Thursday on the terms then proposed. It appears that when British Columbia closed, the lead manager, Credit Suisse White Weld, already knew that it would open at a substantial discount though it did not expect it to go as low as proved to be the case on Friday.

Eurobond issues for Pierson and Ennia

BY MICHAEL VAN OS

TWO EUROBOND issues for Dutch borrowers were announced yesterday. One is a Euro-Gulder issue for Pierson Holding and Pierson. The other is the first convertible dollar Eurobond issue by a company since 1969.

Ennia has decided to establish a reinsurance company in the U.S. after market studies by its liaison office which was set up in New York two years ago. Capital of the new company will be \$10m. and activities, concentrated on the U.S. reinsurance market, are due to start before the end of this year.

AMSTERDAM, May 10.

Ennia activities here will still be loss-making, though less so than in 1976. The other activities will show improved results, it was added. Mr. Gerritsen said at the press briefing here that efforts were being made by the Dutch insurance company to restore "discipline" in the domestic accident insurance market where the volume of business was still considered more important than the margins. Some success was expected of these efforts later in the year.

Steadier margins at Commerzbank

WEST BERLIN

COMMERZBANK AG's earnings have suffered this year further fall in interest although the situation is to be stabilising, says Board spokesman Robert Dhom. The bank's average margins in 1977 are below 3 per cent, and continued to the first quarter of 1977, ever, lively demand on a stock and bond market as rising foreign business now beginning to help.

Daf Trucks out of red

BY MICHAEL VAN OS

DAP TRUCKS, Holland's only lorry manufacturer, managed to turn its 1976 loss of Fls.35.7m. into a profit of Fls.10.7m. in 1977, says the annual report published in Eindhoven. Sales topped the Fls.1bn. mark for the first time, to reach Fls.1.04bn. (up 21.9 per cent.).

The special products division was furthermore showing a well-filled order portfolio so that 1977 would show a further improvement of the profitability, it was added in the report. Last year was characterised by a marked improvement in the lorry market. Total production and sales were around the 12,000 units in 1976, which was a record for DAF trucks.

AMSTERDAM, May 10.

The new F2300 heavy trailer showed encouraging sales results and its market position in several countries, particularly in the U.K., was expected to be reinforced. Following changes in the DAF trucks share capital last year, the current composition is now that Van Doorne (formerly Van Doorne's Automobielabriek) holds 42 per cent, International Harvester 33 per cent, and DSM, the State-owned chemicals company, 25 per cent.

Mannesmann dips 18%

BY JONATHAN CARR

MANNESMANN net profit fell 16 per cent. to DM11.5bn. while 18 per cent. to DM12.1bn. last year exports alone fell by 18 per cent. to DM2.65bn. in 1976. Nonetheless the company proposes to pay once more a 14 per cent. dividend, raised from 10 per cent. after a surge in exports all sectors—especially of large tubes, the company's particularity.

BONDTRADE INDEX table with columns: Yesterday, Monday, Medium term, Long term, Convertible.

KSH reduces losses

BY OUR OWN CORRESPONDENT

ROYAL SCHOLTEN HONIG (KSH), the Dutch starch and foodstuffs manufacturer, has suffered a loss of Fls.3m. in the first half of the financial year 1976-77, after incurring a total loss of Fls.18.2m. in the 1975-76 financial year.

The company said here that the first half loss was well down on the loss of Fls.11.9m. recorded in the same period of the year before. Sales to third parties have gone up to Fls.488.6m. reserved in the operating account (Fls.433.9m.). The operating result before interest was still well in the black, however, at Fls.14.3m. (Fls.15m.).

AMSTERDAM, May 10.

On to the decision taken in Brussels to introduce a levy on high fructose glucose syrups from July 1, 1977, the KSH Board said that "all European and Dutch legal remedies" would be tried to have the EEC measure rescinded or mitigated. If they failed, the closing down of the isomerase plant in Holland at Roz en de Zand and the stopping of the construction of the isomerase plant in Tilbury seems inevitable," it was added.

Ashland finance plans for COR

Ashland Oil and the financially-troubled Commonwealth Oil Refining Company have entered into an agreement under which Ashland may invest \$50m. in a new series of cumulative preferred stock convertible into about 49 per cent. of the going equity in Commonwealth at a fully-diluted basis, agencies report.

The two companies have announced that under the agreement Ashland had 120 days to evaluate the operations and business of Commonwealth. Should Ashland determine that Commonwealth could be made financially sound, it might make the \$50m. investment.

Under the agreement, Ashland will have a five-year option to purchase from Tesoro Petroleum Company its 5.5m. common share interest in Commonwealth at a price reflecting average closing prices in the 30 trading days prior to the exercise of the option. In addition, Ashland will have certain voting rights on the Tesoro shares during the option period.

Ashland said that agreements have been made through which the Government of Puerto Rico would provide Commonwealth a \$15m. line of credit and Citibank N.A. would provide about \$20m. to Commonwealth secured by current assets, and Citibank and other banks which had provided Commonwealth's existing long-term loans of about 200m. would defer interest payments to June 1, 1978, and payments on principal until after the bank debt is satisfied.

Price Waterhouse

PRICE WATERHOUSE AND CO., a leading public accounting firm, has proposed SEC registration for major auditors' annual increased financial disclosure, with an average \$131,000 each during the year ended last June 30, according to the firm's report.

Net income of the 378 partners during the year ended last June 30 averaged \$128,000 each before federal income taxes, compared with \$203,900 the preceding fiscal year.

AP/DJ reports from New York. The proposals were made by John C. Biegler, senior partner of the firm, in testimony prepared for the Senate subcommittee on reports accounting and management. The subcommittee is holding hearings on a staff report which proposes an increased federal role in setting accounting standards.

THE PHILIPPS INVESTMENT COMPANY. Net Asset Value: April 30th 1977: U.S. \$9.05. Latest Luxembourg Stock Price: 100.00.

MULTIPAR

- Brazilian and international corporate finance
Project development and finance
Financial advisory services
Management consulting and assistance
Investment opportunities, joint ventures
Financing assistance, private placements

AMEX DO BRASIL A subsidiary of American Express International Banking Corporation

COMPANHIA FORÇA E LUZ CATAGUAZES-LEOPOLDINA

MULTICON A company of the Multiplic Group

MULTIPAR EMPREENDIMENTOS E PARTICIPAÇÕES LTDA Av. Presidente Vargas, 409-8 Andor Rio de Janeiro, Brazil Telephone: 224-93 32 Telex MUSA BR 212 1823

Handwritten note: 100/100

July 1975

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Profits down per cent. Casio computer

TOKYO, May 10. CASIO's largest electronic calculator manufacturing company, reported a 44.9 per cent fall in operating profit to ¥2,429,000 for the fiscal year to March 31...

Life insurance in closed

BANGKOK, May 10. THE COMMERCIAL LIFE Insurance Co. of Thailand has ordered the closure of its Bangkok branch...

EMBRAER—BRAZIL'S AIRCRAFT MANUFACTURERS Flying to Le Bourget

BY DAVID WHITE IN RIO DE JANEIRO. EARLY IN JUNE two Brazilian-made aircraft will set off on their way to France to take part in the Le Bourget air show...



Embraer AT-26 ground attack aircraft.

has dissuaded Cessna from setting up a factory in competition in southern Brazil, Embraer is well placed to secure a large part of the potentially big Latin American market...

\$150m. triple tranche loan

BY FRANCIS GHILES. CENTRAIS ELECTRICAS do Sao Paulo is borrowing \$150m. in three tranches, each carry different maturities and spreads...

Alliance Tire sells £34.7m.

By L. Daniel. TEL AVIV, May 10. ALLIANCE TIRE and Rubber-Plastic's sole producer and exporter of vehicle tyres...

Call for greater control over multinationals

BY MICHAEL LAFFERTY. DUBLIN, May 10. GOVERNMENTS must exercise greater control over the activities of multinational companies, exploited loopholes in the way...

DOMESTIC BONDS New phase in Benelux bonds

By Pauline Clark. A new phase of primary market banking consortium meets on Tuesday in Brussels...

Old Mutual raises Tiger Oats stake

BY JOHN STEWART. JOHANNESBURG, May 10. TIGER OATS, South Africa's immediate beneficial effect on largest food group...

WIGHT CONSTRUCTION HOLDINGS LIMITED. Annual Report 31ST JANUARY 1977.

Table with financial data for Wight Construction Holdings Limited, including Turnover, Group Profit, Earnings per Share, Dividends, and Net Tangible Assets for 1977 and 1976.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table listing various Eurodollar bond prices and mid-day indications, including straight and floating rate notes.

The Central Manufacturing & Trading Group Limited INTERIM RESULTS

Table showing interim results for The Central Manufacturing & Trading Group Limited, comparing Half Year to 31 Jan 1977 and 31 Jan 76, and Year to 31 July 76.

Despite the political and economic uncertainty which continues to confront us, I am pleased to report that the Group profit before tax for the six months ended 31st January 1977 was £1,750,000...

C.M.T. Industrial services - Light engineering - Metal processing - Steel stockholding - Tubes, fittings and forgings. 303 Halesowen Road, Dudley, West Midlands.

U.S. \$30,000,000 CITY INVESTING FINANCE N.V. 8% GUARANTEED NOTES DUE MAY 1, 1984. City Investing Company. Blyth Eastman Dillon & Co. International Limited.

WALL STREET + OVERSEAS MARKETS

Early 3.90 rise in active trading

BY OUR WALL STREET CORRESPONDENT

THE TWO-DAY reaction was halted on Wall Street today and the recent upward trend resumed in more active trading.

By mid-day the Dow Jones Industrial Average regained 3.90 to 988.99 and the NYSE All-Common Index recovered 18 cents to 43.25.

Closing prices and market reports were not available for this edition.

354.53, while rises fell by more than a seven-to-five majority. Trading volume expanded 1.78m. shares to 8.92m. compared with noon yesterday.

Analysts described the market as in good technical condition, an uptrend, backed by signs of a strengthening economy although concern over inflation remains a major worry.

The Government is due to report today on Retail Sales for April. The figures, which are expected to show an improvement, could lend some support to the Stock Market.

Likey dealings were halted—

is omitting its quarterly dividend and deferring payment of dividends on Preferred shares. The company lost \$31.8m. in the first quarter.

Allied Chemical rose $\frac{1}{2}$ to \$47. Standard Oil of Ohio $\frac{1}{2}$ to \$39.3 and ITT $\frac{1}{2}$ to \$33.

Santa Fe International advanced $\frac{1}{2}$ to \$54.

But Occidental Petroleum shed $\frac{1}{2}$ to \$27.7, while Atlantic Richfield put on $\frac{1}{2}$ to \$37.7 and British Petroleum also rose $\frac{1}{2}$ to \$31.

Westinghouse Electric firmed $\frac{1}{2}$ to \$21.2 and IBM were up $\frac{1}{2}$ to \$23.5.

National Steel, which raised prices on May 6, put on $\frac{1}{2}$ to \$33.7, unchanged at \$33.7, while U.S. Steel, which boosted prices yesterday, gained $\frac{1}{2}$ to \$43.

Cement Industry issues were lower, with Lone Star Industries off $\frac{1}{2}$ at \$22, Leigh Portland $\frac{1}{2}$ at \$17, Medina $\frac{1}{2}$ at \$15, and Alpha Portland $\frac{1}{2}$ at \$15.

Some Press reports said that some analysts are bearish about the issues medium term outlook, despite recovery from a slump.

The American SE Market Value Index gained 0.34 to 114.41, while the trading volume expanded 325,000 shares to 1.29m. compared with mid-day yesterday.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in moderate trading yesterday morning.

The Metals and Minerals Index rose 5.3 to 1,095.1. Gold also rose 5.3 to 1,049.4. On the U.S. shares declined among

firmly 0.50 to 219.39, but OR and mixed Internationals. German DME eased 1.9 to 411.2. Utilities lost 0.25 to 159.82 and Paper shed 0.65 to 105.47.

Cornst Industries gained $\frac{1}{2}$ to \$43 on higher first-quarter net earnings, but Canadian Mancoy lost 10 cents to \$42.5 on reduced

first-quarter earnings. Recent King added 15 cents to \$43.30 on slightly higher 1977 year results.

PARIS — The Bourse today another battering in very busy trading following the call by the three major French Labour Unions for a one-day strike on May 24 to protest the Government's Economic Recovery Programme.

All sectors were affected. The foreign section was also weaker, although Gold Mines were better, while Germans and Coppers were mixed.

AMSTERDAM — Prices eased over a broad front.

Banks, Insurance, Transportation and Dutch Industrials mostly declined. The short list of gainers included Hoogovens, up $\frac{1}{2}$ to 440, and Nationale Nederlanden Insurance, up $\frac{1}{2}$ to 139.40.

Bonds lost $\frac{1}{2}$ to 102.80, or so.

BRUSSELS — Losses slightly outnumbered gains at the end of slow and uneventful trading.

Steels were mixed, in lower Electricals and Utilities. Bees shared $\frac{1}{2}$ to 2,050.

Non-Ferrous Metals declined. But modestly, Chemicals were steady.

and Bank Leu registered Frs. 10 to 2,750.

Insurances gave ground, with Zurich Insurance Bearer dropping Frs. 150 to 9,550 and Swiss Reinsurance Frs. 80 to 4,050.

Chemicals dropped sharply. Sandoz Bearer slipped Frs. 150 to 4,550 and the Registered Frs. 250 to 2,110.

Industrials and Financials also declined.

Losers dominated also in the Foreign sector. However, U.S. Stocks were generally above Monday's Wall Street levels.

COPENHAGEN — Mixed to slightly lower.

Swedish stocks gained up to DM1.50, while Chemicals rose about DM1. Chemicals were mixed, with Rueterswerke rising DM2.50 to 255 on higher 1976 net earnings, but other shares were mixed.

Machine Makers were in demand, KRD were up DM2.30 to DM163.50 after announcing a boost in 1977 dividends to DM1.25 per DM50 dividend share from DM1 in 1976.

Stores and Utilities were strong.

Manneusman held up changed despite lower 1976 profits.

Public Authority Bonds were still firm, rising up to DM3.50. Mark Foreign Loans were mixed.

SWITZERLAND — Generally lower in brisk trading. A dealer cited big selling orders of Swiss shares in Foreign countries, like for instance, Germany and Britain.

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NEW YORK, May 10.

Trading was very quiet in the foreign exchange market yesterday and sterling edged at \$1.7181 against the U.S. dollar, a

point of 2 points on the day. The pound remained within a general range of \$1.7190 to \$1.7193 throughout and it is doubtful whether the authorities intervened in any way.

Forward sterling was firmer with the three-month discount against the dollar narrowing to 1.32 cents from 1.33 cents.

The dollar gained ground against the Dutch guilder, finishing at Fl.2.4520, compared with Fl.2.4500 previously, and also finished firmer against the German mark, at DM2.3630, compared with DM2.3595. There was little change in terms of the Swiss franc, but the U.S. unit was slightly weaker against the Japanese yen and Canadian dollar.

Morgan Guaranty's calculation of the dollar's trade-weighted average depreciation since the Washington Agreement, widened to 1.11 per cent from 1.04 per cent.

Gold rose $\frac{1}{2}$ to \$147.1481 in quiet trading. The average premium over its gold content widened to 3.30 per cent from 3.14 per cent for domestic

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Among Industrials, BHP at 6.50 and EZ Industries at 3.42 each gained 2 cents.

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NOTES: Overseas prices shown below exclude 5 p.m. Belgium dividends are after withholding tax.

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Pound steady

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July 1977

Competition bows out to regulation in the EEC

BY A. H. HERMANN, Legal Correspondent

IMPORTANCE of competition or economic efficiency and freedom is taken for granted in Britain and has never been treated as an article of faith in post-war Germany. It remains enshrined in the European Community treaties as a fundamental instrument of the Common Market. But the reality is that competition is fast being replaced by regulation by the bureaucracies of government. Companies and nations seek to avoid the rigours of the recession.

This is a temporary reaction to a passing disease of the economy in the sight of a fundamental change. And regulatory measures taken by the state are not, however, the only means of avoiding the rigours of the recession.

Experience is not, however, the only means of avoiding the rigours of the recession. Experience is not, however, the only means of avoiding the rigours of the recession.

“The crisis of the European steel industry has prompted the Commission to move towards a quota and price cartel, extending thus the principle of regulation so far reserved for agriculture into the area of industry.”

These demands are reflected in a tolerant attitude towards mergers and a tendency to protect and fortify industry against overseas competition by nationalisation or regulation of some sort.

In the U.K. a series of rescue operations which brought some of the most renowned industries under government control has been followed recently by a spate of take-over bids for perfectly sound and prosperous enterprises. Through this development is not peculiar to Britain. The restrictive practices of the U.K. trade unions make investment in new labour-saving machinery unprofitable while the low mobility of skilled labour makes it hazardous to locate new sophisticated plants in regions which have a surplus of unskilled labour but little else. The result is that companies with cash and a drive to expansion are left with only one option: to acquire an existing concern, even if the efficiency of its plant leaves much to be desired. Often the acquirer has the means to protect the acquired enterprise against competition, improving its profitability at the cost of the consumer who will have to pay the higher price.

In West Germany, practically free of trade union restrictions on modernisation, the same process of concentration of industry by acquisitions is at work. Because of the underdevelopment of the stock market, a medium-sized expanding enterprise can in world markets, on the other hand, is often better financed by a bank or to a large enterprise. Many successful entrepreneurs and living standards will be improved.

It is widely assumed that Germany has since 1973 operated a much stiffer system of merger control than the U.K. True, the statutory rules and procedures obliging the Federal Cartel Office to be guided only by its duty to protect and preserve competition, leaving aside wider considerations of public interest, look formidable on paper. In reality, in the first three years of this system the Cartel Office prohibited only four out of 773 mergers which were big enough to require notification. Only two of these four prohibitions became effective. Of the estimated further mergers notified in 1976 the Cartel Office prohibited only three, of which one has been since reviewed by the Government, one is pending in courts and the third, having been a *fait accompli* for some time, can rely on government reprieve should the Cartel Office decision survive in the courts. The Government has the power to overrule the Cartel Office on

Providing for tomorrow's world
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is developing more specialized services to meet
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Since the opening of the American Gold Market in 1975, Asia has provided a very valuable time link between the closing of the American and the opening of the European markets.

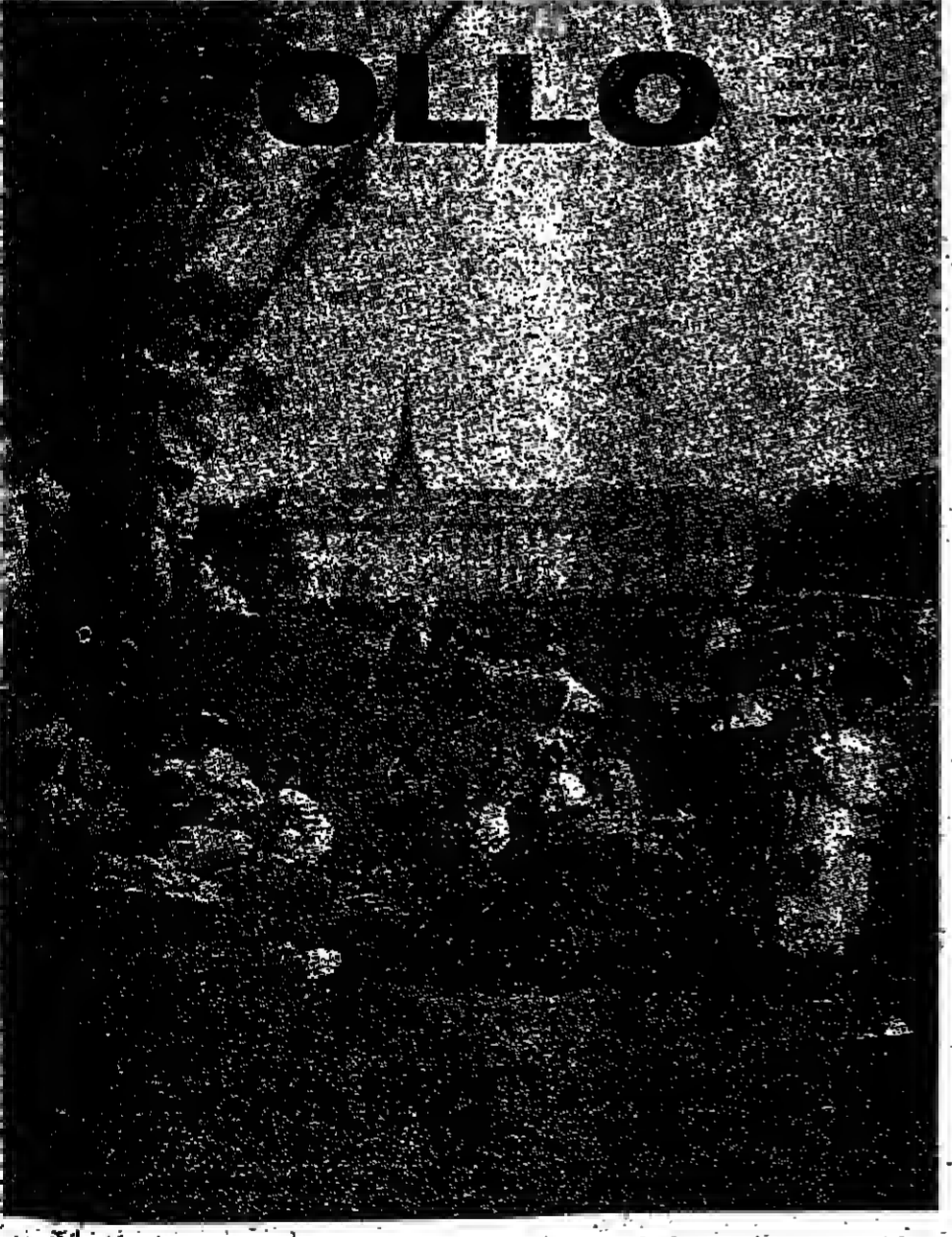
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Abuse

In this respect the EEC law of competition has a greater potential. Article 86 of the EEC Treaty, aimed against abuse of a dominant position, is enforceable in national courts of member States. The Commission has made little use of Article 86 so far, although it is known that several allegations of abusive pricing were investigated. Also, like the Cartel Office in Germany, the Commission has no powers to ask for notification of price changes unless it made a decision condemning an enterprise for specific price abuses. But even this possibility has been used only once, in the case of United Brands, condemned by the Commission on December 17, 1975, for abusive and discriminatory pricing of bananas.

The demands for regulation are nourished not only by the desire to protect the consumer by keeping prices down. A less evident but growing factor is the need to keep prices up if weaker competitors are not to be eliminated. The same aim which is pursued in the U.K. by the trade union of the bread delivery men hawking stores selling bread with a discount, is achieved in Germany, always more legalistic, by court orders against "unjustified discounts" and by Cartel Office guidelines protecting small shops against the power of their large competitors - for example, by prohibiting suppliers from giving bigger discounts to supermarkets than to corner shops. This can well be taken for an epitome of the change occurring on many fronts: regulation takes over whenever competition is so effective that it threatens to eliminate the weaker competitors.

There is a lot of fun around a glass of *Sherry*



Universally appreciated as the aperitif for any time of day, Sherry needs no special time or occasion. It is well known the world over as the ideal aperitif, but its great variety offers many other opportunities to enjoy it.

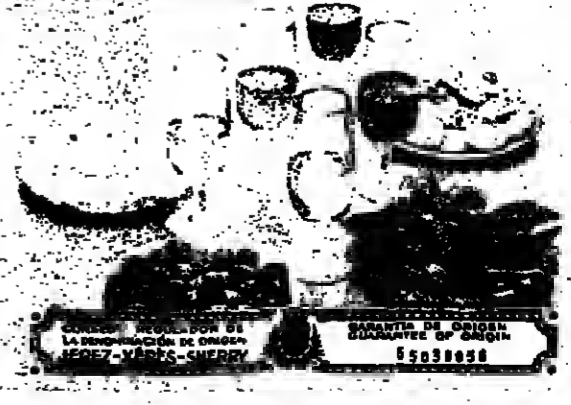
Manzanilla and Fino - smooth - light with a unique finesse - exciting and acrid aperitif for the young minded.

Amontillado and Oloroso - full bodied with an exquisite bouquet, ideal for any time of the day.

Sweeter Sherries, such as Cream adds romance to any occasion - straight or with ice, makes a delicious drink.

Around a bottle of Sherry the atmosphere will always be cheerful and friendly.

Sherry from Spain for fun-loving people.



July 10 1977

FINANCIAL TIMES SURVEY

Wednesday May 11 1977

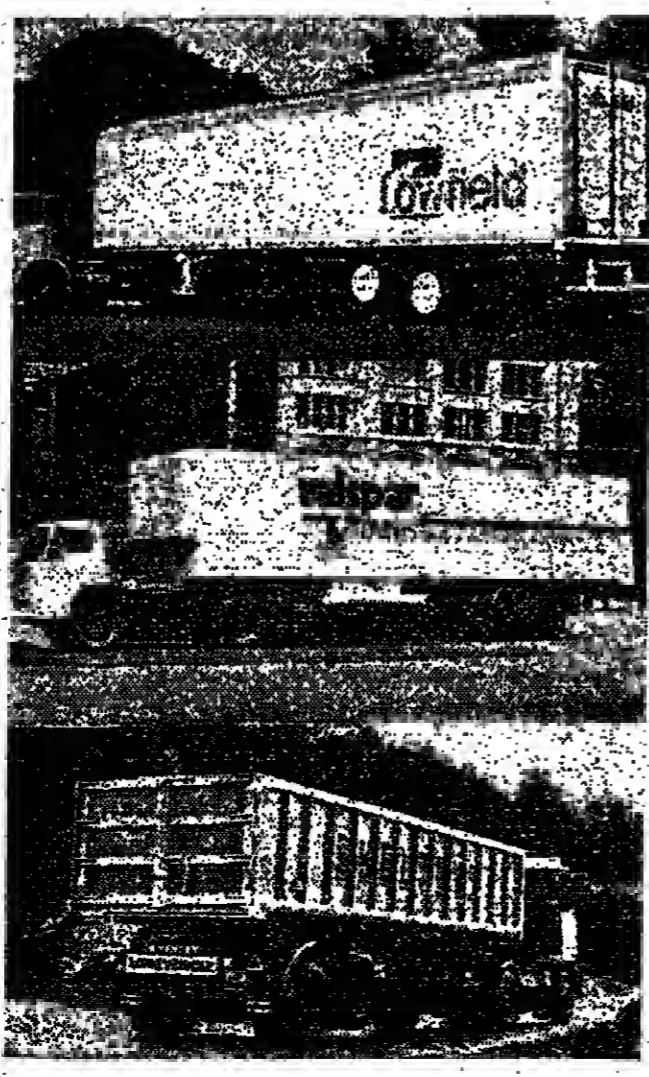
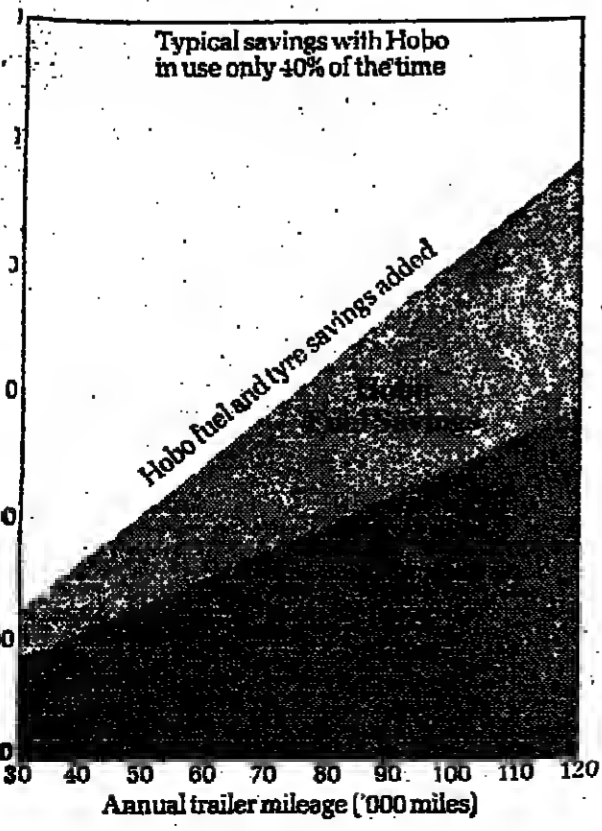
Trailers

Although not yet back to the peak level of 1973, U.K. trailer output has made a healthy recovery from recession. This improvement is very much in line with the experience of the commercial vehicle industry generally, and it is the latter's fortunes which will largely dictate the future.

York Hobo. Lift your wheels and lower your costs.



Last year people were calling Hobo the greatest idea since the Freightmaster. This year it's an established success. When it was launched last April we forecasted savings of £280 per year per trailer. This year, typical savings are raised to around £330 a year and the Budget road fuel increases.



Hobo. Only from York.
If anyone still needs reminding, Hobo is the patented York lifting axle trailer suspension that cuts the cost of tyres and fuel on a tandem semi trailer by lifting the leading axle clear of the ground when carrying light loads, part loads or no load at all.

With Hobo the trailer adapts to its load. And an overload protection valve automatically lowers the leading axle when the trailer reaches its single axle limit.

Where and how you save with Hobo.
Our market survey showed that the average semi trailer only needed both axles on the ground for 55% of the time. For own-account fleets it can be even less. The remaining 45% of the time, the trailer needed only one axle on the road.

From these findings we developed Hobo to cut costs in two major areas.

The first and most obvious saving is on tyres. The Goodyear Tyre Co estimated that a 30% reduction in tyre wear is likely if Hobo is used just 45% of the time.

And like all York suspensions, tyre wear in tandem form is reduced by providing fully adjustable radius rods to ensure accurate axle alignment.

The other area of saving is in fuel. Obviously there is more drag and scrub with a tandem trailer than with a single axle. By raising your axle, you raise your miles per gallon. According to the tests carried out at the Cranfield Institute of Technology, your mpg goes up about 4%.

Add these savings on tyres and fuel together and a saving of £330 per year is typical.

Better braking.
Hobo's benefits don't stop with tyres and fuel. Its design incorporates a balance beam which reduces hop, resulting in shorter, safer stopping distances.

Mike Cunningham from 'Motor Transport' road tested the Hobo and reported on its brake performance:

"It was the non reaction built into the suspension under braking that most impressed me...we have established braking distances from full pressure stop of 40 mph that shows the Hobo suspension provides better and safer braking without undue axle hop.

There is a mean increase of braking efficiency from 58% to 68% on surface brake application attributable to the non reactive design of the suspension under braking - axle hop is virtually eliminated."

And Hobo is fail safe. Should there be any damage to the Hobo air system, the second axle inverts and the trailer runs in its normal tandem mode.

Hobo the investment.
Hobo's payback period will be under 18 months for the average operator, and once it's paid for itself it will add to your profits every day for the rest of its life.

Your next York trailer can be supplied with Hobo or you can have your existing vehicles adapted at any of the York factory branches.



York Trailer Company Limited,
Northallerton, North Yorkshire, England.
Tel: Northallerton (0609) 3155. Telex: 58600.

Some troubles spur export successes

HAVE been the main British trailer in the last two years. In this area demand tends to be for specialised vehicles which may provide vans and heavy duty low loaders. In these cases the purchase is prompted either by the conviction that it is not worth laying down new capacity for a few specialised products which can be bought on the open market, or by the feeling that Western technology is superior in this particular field.

Within the EEC, where the market requirements are much similar to those in the U.K., several companies have got off to a promising start. The Low Countries and France, in particular, now take a good quantity of British trailers, although Germany has been more difficult to penetrate. At the same time this new business has not been followed up by any similar incursion of the Continental trailer companies into Britain. Their business in the U.K. is still negligible, although the French-Trailer company, ultimately owned by Pullman of the U.S., bought a British manufacturer two years ago with the ambition of moving into the U.K.

Despite fears of market in the oil-producing area there is a common belief that they have bought more than they have the ability to use. Trailer makers are not yet finding shortages of orders. In the expanding sales area of Nigeria where oil wealth has produced a vigorous and here again, Britain's standing capacity with the U.K. commercial establishment has undoubtedly helped to sales. Trailer makers talk of requests for large orders suddenly appearing through the post quite often. Despite the slack pace within the oil economy, and the demands of exporting through congested ports, there are signs of continuing at a high

Outside the EEC, the other big market has proved to be Eastern Europe and the USSR. In this area demand tends to be for specialised vehicles which may provide vans and heavy duty low loaders. In these cases the purchase is prompted either by the conviction that it is not worth laying down new capacity for a few specialised products which can be bought on the open market, or by the feeling that Western technology is superior in this particular field.

The most significant strength of British trailer exports in the past two years has been competitive price. Virtually all U.K. producers have found that they can beat foreign competition on the price basis, and with plenty of capacity to spare in their factories, they have been able to overcome the perennial complaint of British industry's erratic and uncertain supply.

Overseas prices have been helped, of course, by the slide in sterling which has given a big boost to most British exports within the past year. There have been other significant factors at work, however. The first of these is the generally efficient production technology now evident in the British industry, which has probably rationalised more quickly in the past few years than its Continental competitors. Only Fruehauf and Trailor are regarded by British manufacturers as really serious competition on the Continent.

With three big manufacturers dominating the market, Britain has been able to get away from the jobbing production methods which characterise a fragmented industry. This, in turn, has given the industry a competitive cost structure.

U.K. technology is also reckoned to be competitive with anything produced in Europe. The use of monocoque construction in box vans, the utilisation of aluminium and laminate wall structures, and the development of energy-saving devices are all well-developed in Britain. And for the less well-developed overseas markets there is a sound understanding of the need for more rugged structures capable of withstanding excessive overloading.

According to all the manufacturers, the future in export markets looks bright. York, for example, which exported about 46 per cent. of production last

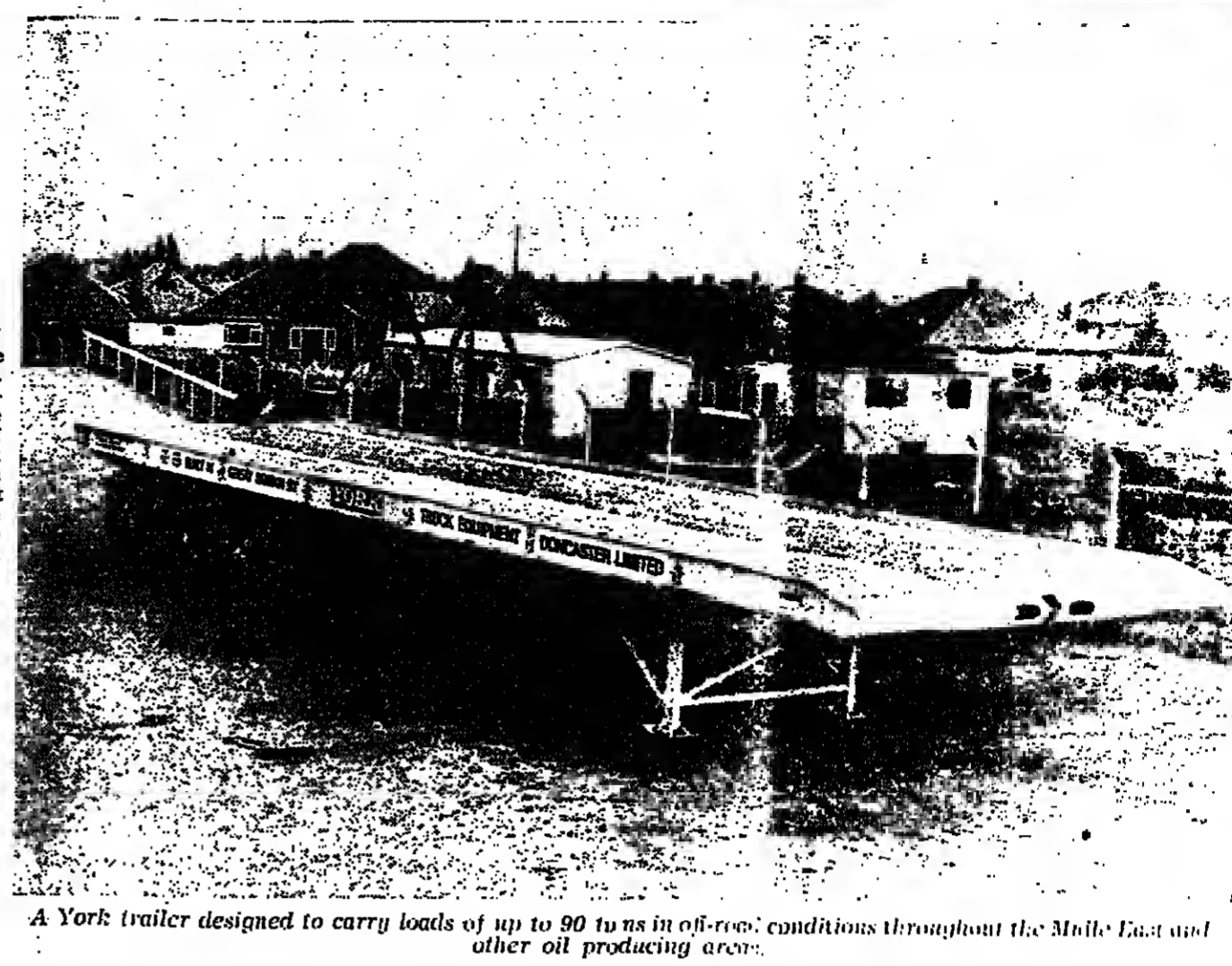
year worth £9.4m, expects the figure to go up to 50 per cent. this year because of the Carrimore acquisition—Carrimore exports about 90 per cent. of output. Craven Taskers sent abroad 26 per cent. of output in 1976, and expects to do about the same this year. Crane Fruehauf, exporting about 20 per cent. of production (worth £10.3m.) believes that it can expand considerably on its base in Africa and the Middle East—where it has established an Iranian assembly operation—and would like to expand in Europe.

One encouraging feature of the overseas markets is that the smaller manufacturers have been able to exploit them as well as their larger competitors. M and C Trailers, for example, reckons it exported about 90 per cent. of production last year, usually concentrating on heavy duty low loaders or heavy flat platform trailers. These are built deliberately to withstand excessive weights. A new small company, Trailer Systems, is currently exporting 100 per cent. of its output which is scheduled to go up to 400 units from its East London works this year, and Todd Strongbox recently won a £750,000 export order.

Over the longer term, these direct exporting efforts could run into difficulties on the grounds of excessive freight costs: it seems illogical to make such large products a long way away from the point of use. Already there have been some moves towards local assembly, such as Crane's Iranian operation, and York's works in Holland.

But manufacturers have found that they can minimise costs of exporting to the Continent by arranging to send out trailers fully loaded. Provided this sort of practice can continue, competitive wage rates in Britain, combined with an equally competitive exchange rate, should give the trailer industry a strong impact on export markets for some time yet.

Terry Dodsworth



A York trailer designed to carry loads of up to 90 tons in off-road conditions throughout the Middle East and other oil producing areas.

To buy

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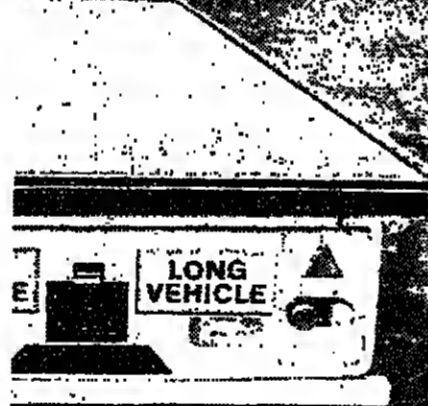
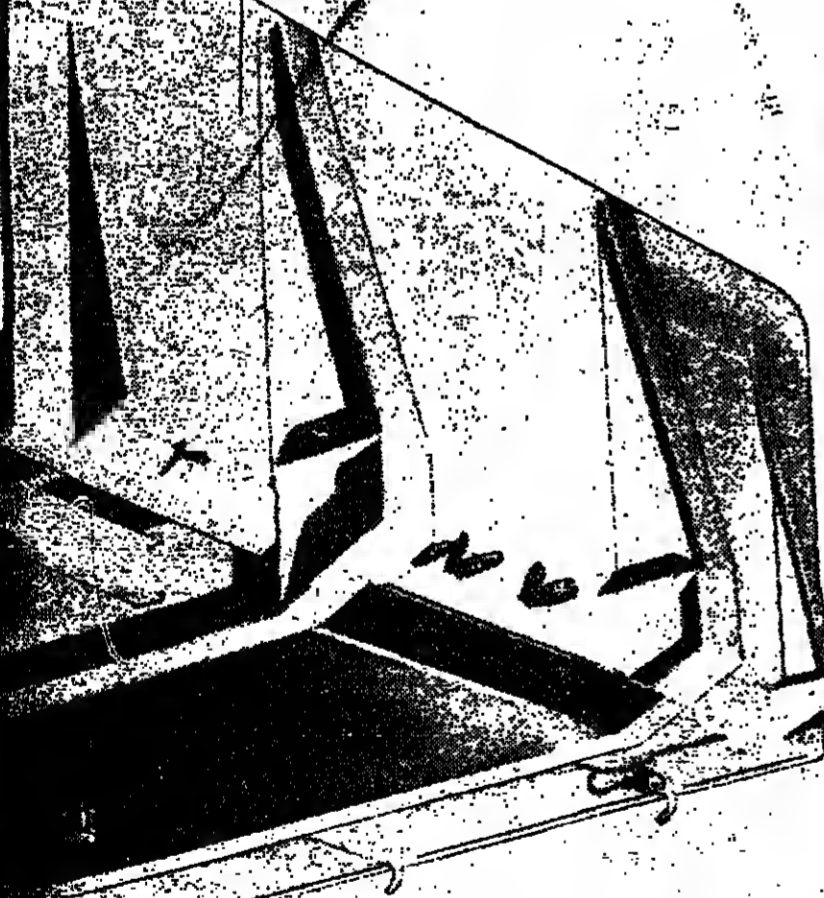
trailer in his own livery, if well. Rental is used to smooth out the lumps in the workload and to make good any deficiencies or surpluses in the fleet. The benefits to cash flow are obvious in that costs can be predicted with some accuracy and without using up valuable capital that can be released into other, perhaps more profitable areas of the business.

At the moment the rental business in trailers is said to be booming. If there is any problem at all it is with the rental companies which cannot obtain enough vehicles to satisfy demand at the moment. Many of the fleets were, in fact, run down a few years ago when industry in general was in a state of some decline and vehicles were sold into the market to raise cash. Now that the reverse appears to be true this must surely indicate a return of confidence all round.

With this sort of background it is small wonder that the market is dominated by the specialists. To operate successfully in this business requires more than mere financial acumen. It calls for specialist knowledge of requirements and the problems that the hauliers face. Above all, in this often risky corner of the leasing market it requires a considerable amount of judgment when accepting customers and fixing terms. The equipment itself is probably no great problem since there is very little maintenance involved with trailers and the value of the trailers as an asset tend to depreciate slowly—indeed, in certain cases trailers can actually appreciate in value.

Keith Lewis

Safer Code of Practice headboard



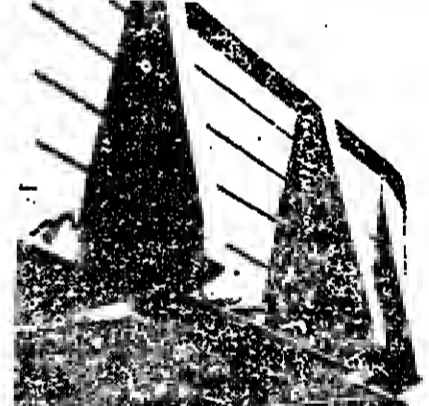
Longer Life
The decking is of 1 1/8" finish half-lapped Keruing hardwood constructed so that accident damage to the deck can be repaired more easily with less down-time and therefore at less cost.



Increased Impact Protection
In accordance with the latest EEC directive, completely new, distinctive and functional square section underrun bumper, giving a progressive rate collapse under impact conditions.



Greater deck space
Completely redesigned rave rail which is stronger and lighter and provides 8" O.A. deck space between the axes. Rope hooks at two per crossmember, headboard and rear crossmember.



Better Driver Protection
The new 2' 6" high headboard fully complies with COP safety recommendations and gives added protection to driver and cab in emergency situations. It permits full 90 degree loading access.

Greater safety and strength where it's needed. Plated at 31.5 tonnes (31 tons) for future flexibility.

Conforming to the latest known requirements and regulations, and incorporating important new features for safety and strength, the new Crane Fruehauf PB80 is the product of intensive research and the highest quality available. What is more, it is backed by the new Crane Fruehauf two-year warranty.

Crane Fruehauf offer the best and most versatile range of trailers and semi-trailers backed by greater facilities and experience than any other trailer manufacturer in Europe. The range includes rugged and reliable tilt TIR's, PSK's, SK's, Dry Freight and Reefer vans plus bulk hoppers, tankers, tippers and many other vehicles of specialised application, already used extensively on routes throughout the world.

Trailers

Crane Fruehauf Trailers Ltd.,
Marketing Services Department,
Toftwood, Dereham, Norfolk.
Tel: Dereham 3331. Telex: 97251.

Crane Fruehauf

TRAILERS II

Swinging back into full production

"ALL OF US have long pondered how to-day. We can sell everything we make, we are all short of capacity, and the industry has turned round completely from the position as it was 12 months ago." Allowing for a certain degree of hyperbole, this comment from a top executive in the trailer industry neatly sums up what has happened in the last year—or more particularly the last six months. The notorious pendulum of the industry has swung back into a year of plenty, and the trailer manufacturers are following the truck industry up out of the depression.

Conditions do not yet appear to have recovered to the levels achieved in the boom year of 1973, when U.K. trailer manufacturers made 21,900 units. But following the lean years, when companies trimmed their activities considerably, the market appears extremely healthy. From output levels of between 11,000 and 12,000 for the last two years it looks as though production may approach the 1974 figure of 18,700 this year. Latest estimates predict the production of 18,000 units in 1977, about 14,000 of which would be sold in the U.K. By 1978, the industry could have climbed back to the 1973 level.

A lot depends, of course, on how freakish the present level of demand turns out to be: there have been false dawns before—notably early last year. But perhaps the simplest way of judging the trailer business is through the state of the commercial vehicle market: and that has been rising fairly steadily now for several months. If the truck market continues to grow, there will be a rising demand for new trailers.

Most analysts agree that this demand is likely to remain strong for at least the next half year because of the operators' need to replace ageing vehicles. This is what happened last year

in the U.K. car market, despite many of the predictions of a continuing slump. Many buyers were forced back into the showroom because of ageing vehicles becoming more and more expensive to service, and losing value as the years went by.

Trucks are even more susceptible to this kind of customer reasoning since they are bought, in many more cases, by fleet operators who carefully analyse their costs, and make a careful financial judgment on the best time to replace. With inflationary commercial vehicle price increases continuing on a regular basis, there is an added incentive to buy now.

How long-term the improvement is, however, depends less on these kinds of customer judgments than on general economic conditions. The trailer market is inevitably quite sensitive to the overall level of industrial and commercial activity. When there is more business being done, more commercial vehicles and trailers are needed to carry round the extra goods.

Indicators

Because more of the economic indicators hold out unquestioned hopes of accelerating industrial expansion over the next two years, this means that the trailer manufacturers will have to play a cautious game over the next few months. They know that the quality of their order books is good at the moment. Most of them have up in five or six months of firm orders which will not evaporate overnight as they did during the rush of cancellations at the end of 1974. But they are reluctant to gear up too much in case the market shifts down a notch in the second half of the year.

This reasoning partly rests on hesitancy to take on staff who would be expensive to get rid of at a later date, and partly to the general lack of confidence

in the British economy. Already, as output picks up, component shortages are beginning to manifest themselves. Some manufacturers are complaining of poor axle and suspension supplies from Rubery Owen-Rockwell, the principal manufacturer, already.

One effect of the recent depression, however, is that most trailer manufacturers are not now quite so dependent on the new trailer market in the U.K. as they used to be. Steps have been taken to get into export markets, and to diversify and widen their activities to give a fairly comprehensive range of services to the customer. This has helped the major companies to ride the depression without losing too much ground financially.

The new service operations range from leasing and finance companies, to freight forwarding activities, and straight-forward service and parts divisions. In York's case the base has been widened by going into the design and assembly of important component parts, such as axles, suspensions and now hydraulic hoists: in Crane Fruehauf's case it has been an established policy in recent years to seek out support areas for hauliers—such as freight forwarding—and develop activities along these lines which can be sold to the company's trailer customers.

What new services can be developed now is anyone's guess. The past two years have seen, to some extent, a polarisation between the two dominant groups, who are seeking to expand their industrial base, and the rest of the industry, which believes its best opportunity is in specialisation. Crane Taskers, for example, has deliberately sought out areas dependent on sophisticated design, such as its new multi-axle trailer which depends on hydraulic methods of weight spreading. Similarly companies like M and G Trailers, Tidd, Strongbox and the new Trailer Systems try to give a more tailor-made design service.

In overseas markets the industry has had spectacular success in the past two years. It has effectively grafted on another arm of business which was scarcely there two years ago, at the same time establishing a solid base for itself throughout Europe, the Middle East and Africa. The test now is to hold these markets and convince customers of the ability to supply, while serving the more buoyant home sales.

Britain's exporting position is one of the issues being put to the test by the contested Fruehauf Corporation bid for Crane Fruehauf. The U.K. company has turned in some vigorous export performances in recent years, and in two areas at least it is possible to see it being constrained by a U.S. takeover.

Overseas

The first is in Iran, where Crane last year set up a local company and began building manufacturing facilities for an overseas assembly plant. The British company could argue that to be taken over and possibly lose this operation to the new parent company would be grossly unfair after it had put in all the groundwork: certainly, Crane has vigorously pursued this market in the past few years, and its presence probably owes something to the well-established British commercial vehicle interest in the area.

In this context, one of the arguments Crane is likely to have put to the Monopolies Commission, now investigating the Fruehauf bid, is that Britain runs the risk of losing out in an extremely important export market with good prospects of growth.

The other question posed by the bid is Crane's position in Europe. It is no secret that the U.K. company sees opportunities on the Continent under the enlarged EEC organisation. But it has been apparently unwilling to exploit them in the full even in the period of Fruehauf's part ownership: if the

American company won its bid for the whole of the company, there is a possibility that its opportunities in Europe would diminish further, simply because Fruehauf has its own companies serving the French, Dutch, and German markets anyway.

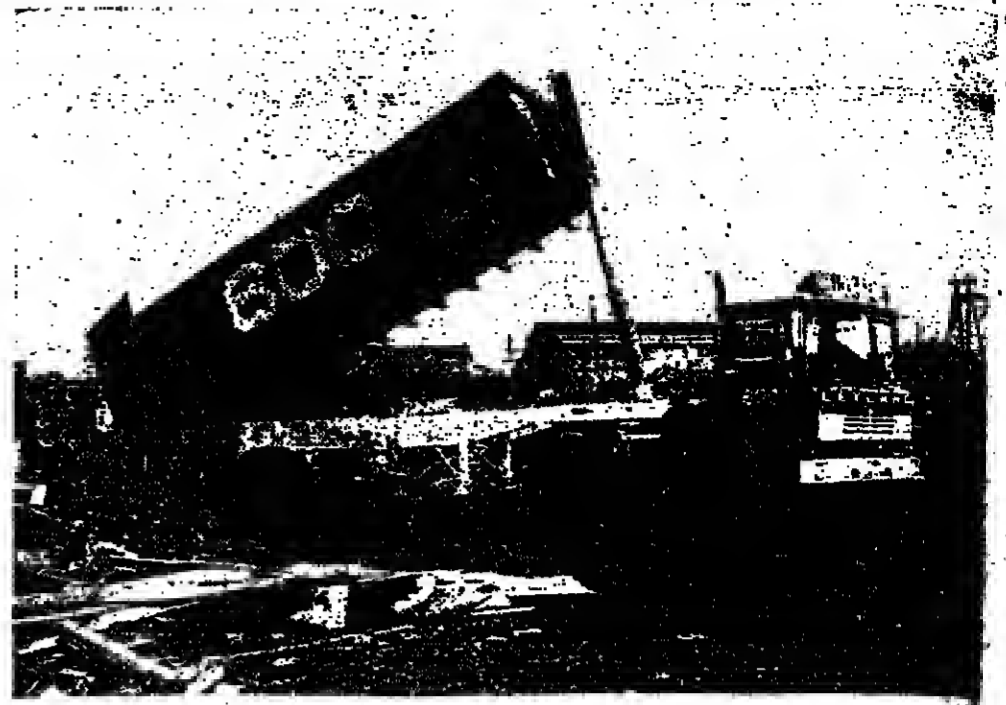
Yet there is no good reason why Crane should not attack Europe just as the other U.K. manufacturers have done so successfully. British prices are now so competitive that good opportunities exist throughout the EEC.

The argument between Crane and Fruehauf also involved bitter personality, financial and technical issues. On the financial side, for example, Crane pays the American group a royalty on turnover each year, irrespective of profits, on the grounds that it uses Fruehauf's technology. This licence, worth \$50,000 to Fruehauf last year, was due to expire in 1979, and Crane did not want to renew it—possibly another reason for the bid.

In any case, there is additional disagreement about the use Crane makes of Fruehauf engineering expertise. Following the Crane takeover of Bodens the British company argues that it has needed Fruehauf's technical expertise less and less, and concentrated on Boden-derived techniques.

These are extremely complex arguments, which the Monopolies Commission is trying to sort out. The decision will be an important one for Britain. With York owned by a Toronto-based group, the prospect of Crane also going to a North American company is not to be taken lightly: it would deliver 75 to 80 per cent of the U.K. market into overseas control, plus a large volume of exports. This sort of process has happened in commercial vehicles and the diesel engine industry. The question the Monopolies Commission has to decide is whether this should happen to the trailer industry as well.

Terry Dodsworth



A steel bodied Tasktip tipping trailer from Cravens Humalley (Woodville) is for carrying scrap metal

To buy, to lease or to rent

TRAILER RENTAL, leasing and contract hire is a growth business—a fact borne out by the consensus estimate that only half of all new trailer sales are direct cash purchases.

The market has naturally evolved in line with demand and the facilities available are widely varied. Basically, however, the business breaks down between the rental side, contract hire (with or without maintenance) or leasing. The manufacturers themselves, such as Crane Fruehauf and York Trailer, all have subsidiaries which can handle the business. Otherwise the alternative would be the finance companies.

There are a number of factors behind the growth of the business. For a start, which trailers tend to be fairly priced objects—£3,000 up to £15,000—£20,000 for the refrigerated jobs—which means that the hauliers have not always been able to fork out the capital cost of replacement. Instead they have turned to one or other of the forms of instalment credit or rental. The other factor is that growth in the rental business

indicates that industry is prudence in general.

The haulage business is, of course, notoriously risky: that is, business failures are not exactly uncommon. Those in the business of providing leasing facilities tend to be highly knowledgeable on the subject and two specialists emerge at the top: Crane Fruehauf Finance and Transport International Pool, the latter being the U.K. subsidiary of the American company. Among the other leasing companies are other specialists, such as Eurotree, a company set up by Brain Haulage to concentrate on container carrying trailers, and now part of Tradax Financial Leasing. Eurotree now claims to have 1,700 units in its fleet, which operates right across Europe.

Leasing of trailers tends to be a method of deferred purchase. Many U.K. companies, due to items like stock appreciation relief, are not paying a great deal of corporation tax and therefore have little or nothing against which to offset

the capital allowance purchase. It is far better the leasing company to pass that on to the haulier in the form of reduced payments—reflecting the longer life of a trailer as against a motor car—the custom either continue to lease at nominal rates or the may be sold. Quite because of the Control of Order, the customer is selling agent for the company and is allowed a 95 per cent of the proceeds in the market theory. Title of the trailer should not change hands wise the whole deal: hire purchase. Through of the capital allowance bands of the leasing company, which passes them on, quite normal for the to work out cheaper than purchase and for the same result. Foreign customers c

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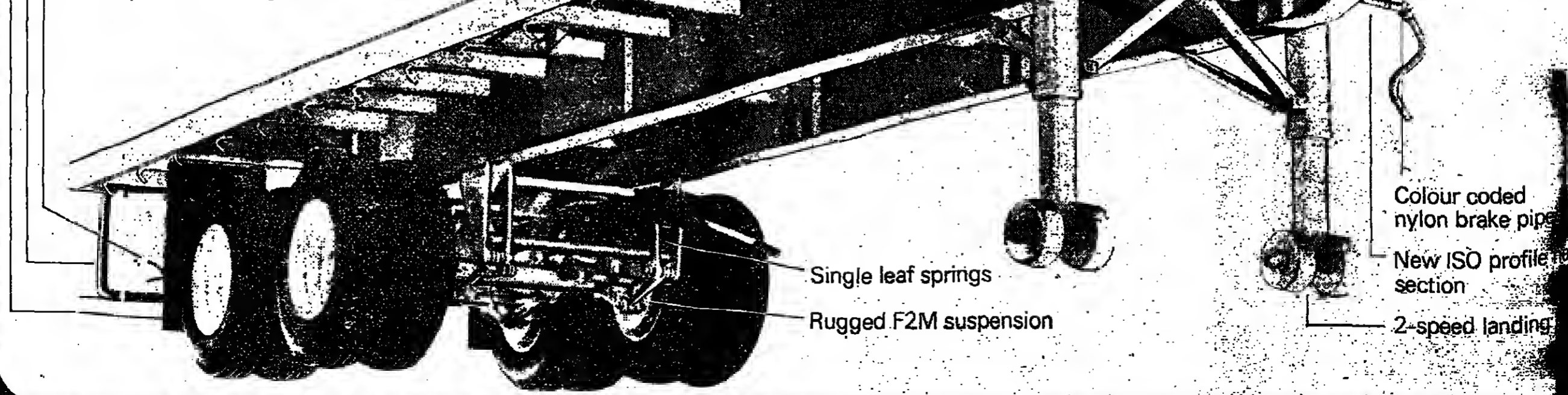
Plan your transport with Crane Fruehauf

Greater versatility; even longer, trouble-free life: these are the advantages of the forerunner of a new breed of semi-trailers from Crane Fruehauf, the PB80 flat platform which offers a whole range of operator benefits for today... and tomorrow.

From its new COP headboard to the revolutionary rear end option the PB80 flat platform semi-trailer incorporates major and minor innovations and refinements which add up to increased all-round operator benefits, and even longer and more versatile trouble-free life.

Its many new characteristics are not merely confined to on-the-road situations, but apply to loading, manoeuvring... and maintenance!

- Improved underride protection to EEC directive
- New heavy duty Polyethylene rear panel*
- Improved lighting circuit



- Single leaf springs
- Rugged F2M suspension

- Colour coded nylon brake pipe
- New ISO profile section
- 2-speed landing

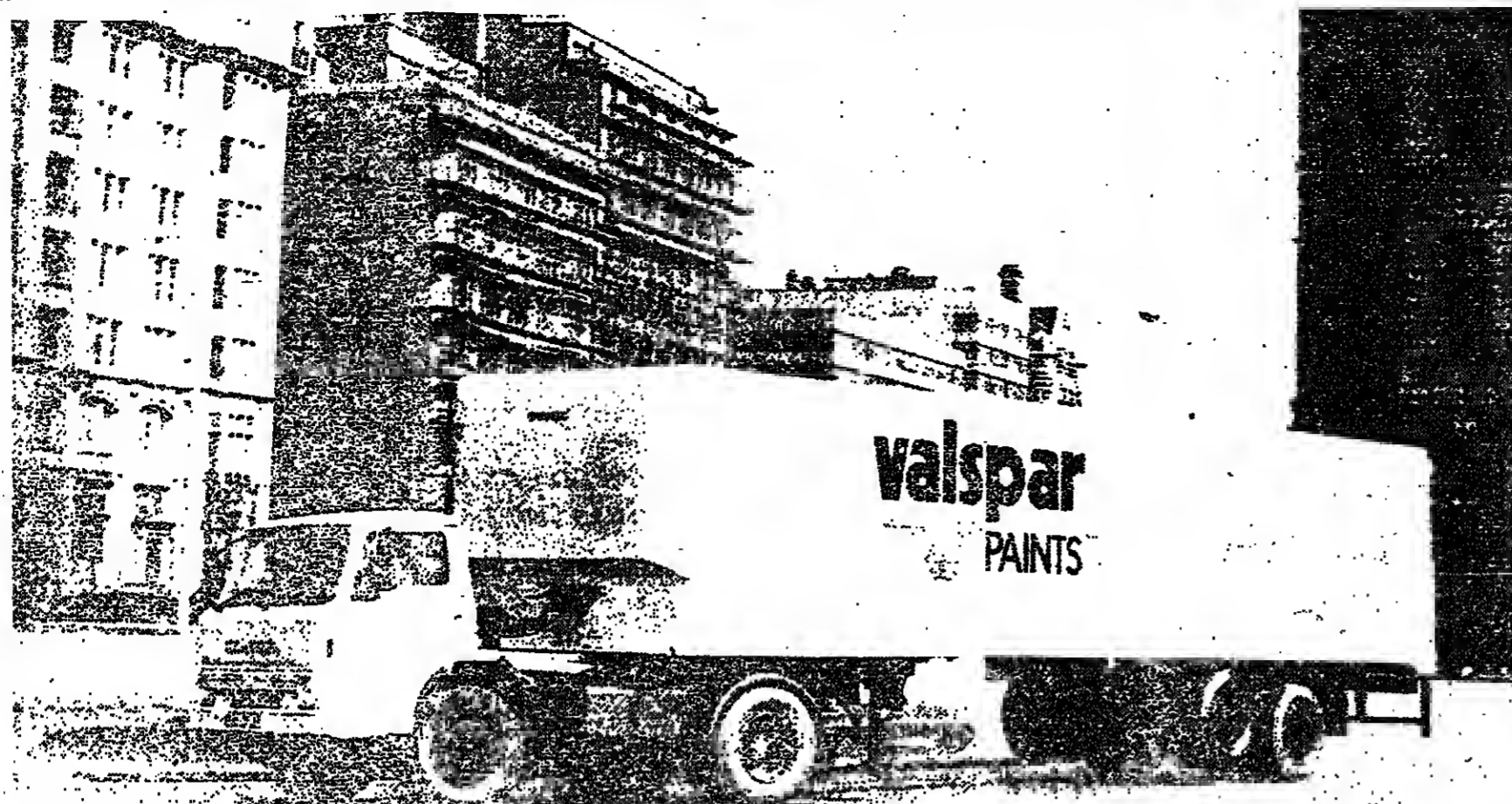
Greater versatility
The new ISO neck profile adds more strength at the point where it is needed, and gives greater compatibility with two or three axle tractors.

Distinctive rear end feature (Optional)
Completely new rear end panel in heavy duty Polyethylene. Designed to carry the full complement of lights, reflectors and signs to current regulations.

15/50 10/15

TRAILERS IV

Changing design criteria



A Freightmaster van fitted with a York Hobo lifting axle suspension

Cross-frontier deals on the increase

THE MOST significant single development in the U.K. trailer industry during the last 12 months was the Fruehauf Corporation bid for Crane Fruehauf in the U.K. Fruehauf, based in the U.S., already has 33 per cent in the British company, but was looking for complete control. With other subsidiaries scattered around the world—including companies in France and Germany—this would give it an exceedingly strong position in overseas markets, since in Britain Crane Fruehauf is by far the dominant trailer company.

The bid is now undergoing Monopolies Commission investigation. It is clearly posing some tricky problems for the investigators, since the time limit imposed on the probe has been stretched to its absolute limit to allow a deeper discussion of the technical and engineering relationship of the two companies. But whether or not the bid is eventually allowed, it has demonstrated how the trailer business is developing across national boundaries.

Localised

Even today, trailer manufacturing is still quite localised in many respects. The industry remains one of those in which a resourceful entrepreneur can establish himself with one good idea, provided he has the wit to follow it with more. You can still get started in this business by hiring a railway arch as a workshop and banging bits together for the local mobile merchant. It is how one entrepreneur has the wit to undergrowth of activity, the last decade has seen the emergence of a few more and more powerful top companies.

The hitting is that these big groups—Crane Fruehauf, York Trailers and Cravens Homalloy

in the U.K.—will continue to dig into dominant market positions in the manner of the big truck companies. Trailer manufacturing is becoming a much more sophisticated activity as the years go by. Design and research work has become more complex as companies seek to add strength without weight, and learn how to use new materials. Expenditure in this area is likely to intensify as the demands for fuel economy make it more imperative to develop light, energy-saving trailers.

At the same time, the bigger groups are refining their production engineering techniques in order to take advantage of their scale. This means that they will inevitably become more competitive, and with the benefit of their research and development strength and ability to finance costly new programmes, they will have the whip hand over the smaller jobbing shops.

In the post-oil crisis depression in the industry, it is believed that a considerable number of the very small, backstreet trailer producers went out of business. But the mid-sized companies have also found survival difficult. Evidence of this came during the last 12 months in two successful bids by York Trailers, Britain's second largest manufacturer.

The first of these was for Carrimore, a Durham-based company, which makes hoists and tipping equipment as well as trailers, and cost York £540,000. The second was for Scammell Trailers, a company within the Special Products group of British Leyland, and formerly a division of the Scammell truck production operations. Scammell cost York about £700,000, and according to the Yorkshire-based concern, will give the group valuable new York's intentions for integrating these new activities seem

to hinge on using the Scammell plant—based at Hoveringham, near Nottingham—simply as extra capacity to help service its backlog of orders. The company calculates that Scammell will save it 23 per cent, more capacity overall, and with the help of the extra output, its U.K. market share should go up to about 35 per cent. York has promised continuity of employment to the Scammell workforce, and Scammell currently has a strong order book on its own account. But whether this means that Scammell will continue to make a distinctive trailer—it has just launched a new range, and some 50 per cent of its sales go to Leyland—is not clear at present.

Carrimore was bought more for its expertise in hydraulics than its trailer manufacturing capacity, although it makes a few trailers at its plant in County Durham. What York is apparently trying to do is to juggle with these manufacturing facilities in free more space in the Durham works for hydraulic equipment manufacturing, while retaining its Corby plant to make more specialised vehicles of the Carrimore kind. With the addition of Carrimore, making tipping hoists and tipping bodies, York now has the ability within its own organisation to make all of the major sub-assemblies which go into a trailer—it already manufactures suspensions and axles at its Market Harborough works.

These latest developments in the structure of the U.K. industry follow a decade of rationalisation. Crane Fruehauf was itself a major instrument of this change, being formed in 1964 when the Crane group, specialising in the top end of the market, linked up with Fruehauf, which was at that time looking for a foothold in Britain. The idea was to create a new company with a full range of products from the more mass-produced standard trailers—which were to be based on Fruehauf technology—to the sophisticated designs which were the stock-in-trade of Crane.

Acquisition

In 1963 the new group took another major step towards its present position of market leader with the acquisition of Bodens. Bodens was another manufacturer of fairly basic volume standard designs, with a reputation for excellent production engineering and a high level of efficiency at its plant in Lancashire. Founded by a vigorous local business man, Bodens had grown quickly, and according to some Crane Fruehauf officials, brought considerable new expertise into the group, which has helped the company grow to its present position with about 40 per cent of the market.

Lower down the scale, Cravens Homalloy has also grown through mergers in the past few years. The third largest of the U.K. manufacturers, with about 13 per cent of the market, and a subsidiary of the John Brown group, it took over Taskers in the early 1970s. In order to bring together the group more closely as an integral unit, it is now in the process of changing its name to Craven Taskers. The intention is to manufacture all its trailers under the simple TASK logo with the aim of giving the company a more easily identifiable product.

During the past two or three years the Craven Taskers group has concentrated its manufacturing on the more specialised products in its range as a means of overcoming the slump. Its latest move, taking on a licence from the Delattre-Lavieir group of France, sees the company making a further step along the same route: the French manufacturer is a specialist in designs for multi-axle heavy duty trailers capable of carrying up to 1,200 tons.

This development also shows the way in which the structure of the industry is beginning to take the larger commercial grouping of the Common Market into account. Both of America's largest manufacturers—Fruehauf and Pullman

(which owns the Trailer company in France)—are now active in Europe. The Fruehauf bid for Crane Fruehauf indicates that, like other multinationals, the U.S. company would like to get a tighter overall grip on the marketing strategies and areas of influence of its subsidiaries. Pullman has similarly shown hopes of expanding into the U.K. following the Trailer acquisition of Peak.

With the U.K. manufacturers now growing stronger in Europe, and doing some assembly on the Continent, more cross frontier trade and licensing deals can be expected within the next few years.

T.D.

Technology adapts to new tasks

HEAVY TRAILERS and semi-trailers are often thought of as simple pieces of equipment needing little if any engineering expertise to design or manufacture. Indeed many flat platform trailers are built by small companies on a one-off basis using the most rudimentary facilities.

But advances in materials technology have now percolated down to the humble trailer. Fleet users are now more weight conscious than ever before, as they strive for greater productivity through higher payloads. Reduced tare weight is easier and less costly to achieve in a trailer than in its more complex "mother" the powered tractor unit.

Aluminium has in the last two years been introduced commercially for platform and upper trailer chassis. Two companies, York Trailers and Welford Truck Bodies (part of the Bristol Street group) have put a lot of development work into aluminium frames. One has fabricated and welded the beam longitudinally from three alloy plates, while the other company has welded together two T-section extrusions to form the main rails. A weight saving of over half a ton is possible if aluminium is also used for the suspension hanger brackets.

Long term problems of fatigue cracking around the wheel points has inhibited earlier trailer development using aluminium for structural members. York and Welford claim to have beaten the fatigue problem through painstaking detail design based on extensive prototype running. Top-to-bottom stiffeners added to the I-beam with a view to the hinges at

strategic points of stress concentration have played an essential part in achieving fatigue strength.

As always the cost of aluminium detracts from its weight-saving properties, when compared with steel. A trailer frame's cost can increase by over 100 per cent, when aluminium is substituted for steel although in terms of total trailer cost including axles, suspension, landing gear and bodywork the on-cost is less dramatic. Last year's massive aluminium price rise of around 130 per cent—notwithstanding a 7 per cent steel price increase in the same period—have tended to mar the promotion of light alloy in such applications.

Because truck operators are today more than ever prepared to pay a premium for durability as well as greater load capacity, the large trailer makers are tending to offer higher grades of steel in frames. The material is stronger, which gives the manufacturer the choice of offering more strength (and longer life) or reduced weight through the use of smaller sections—usually rolled I-beams. The tendency has been to compromise between the two requirements, so that strength and price goes up a little and weight comes down a little. Shallower I-beams can be used—typically 14 inches rather than 16 or 18 inches deep—with the result that loading height is reduced and the trailer's stability in side-winds and when cornering is improved.

Care has to be taken in adopting higher grade structural steels in trailer frames because more sophisticated welding techniques are implied, not only in manufacture but during repairs. While a major trailer producer can justify more costly welding equipment for high volume production, the small vehicle repairer—or the fleet user with his own workshop—cannot. He might well be unaware of the material's grade, and may proceed with a welded joint repair which is structurally unsound.

Perhaps the most significant advance in trailer design has come in fully-enclosed vans which now account for 25 to 30 per cent of U.K. heavy trailer sales. The concept of chassisless construction—making the fabricated aluminium sidewalls provide the longitudinal beam strength of the trailer—has been exploited for nearly 20 years by all the major chassis makers, successively by York, Crane Fruehauf and Taskers.

In the last three years however a major challenge to these established names has come from Tidd, a long-established London truck bodybuilding concern which has "turned its back" on sheet metal as a construction medium for van bodies, including trailers. Tidd has pioneered the use of Glasurit—a new material in the U.K. commercial vehicle industry. It consists of standard plywood sheet faced on both sides with temperature and pressure cured polyester/glass (grp) laminate. The grp face increases the bending and shear strength of the basic plywood panel several times over so that trailer van sides up to 40 feet can be cut from one sheet. Technical Panel Industries, the manufacturer of Glasurit sheet,

offers panels ready cut to size so that the van builder is faced with what amounts to just an assembly operation.

A range of thicknesses up to 1 inch is available, to give the required degree of beam strength in a trailer van, without needing a separate chassis or any intermediate framing. The peripheral frame—vertical corner posts, and top and bottom rails—is made up from purpose-built aluminium extrusions, now available from Alcan, British Aluminium and Hi-Metals.

Apart from their structural strength, grp-faced plywood panels also offer greater resistance to impact damage during vehicle shunting in a congested depot. If a sharp metal edge does penetrate the outer grp laminate, a repair can be effected using the same established glass-fibre cold-lay-up techniques applied in van roof and cab repairs.

Having no interior frame, grp-plywood trailer vans offer greater internal space, a legal maximum width of 8 feet 2.5 inches (2.5 metres), two rows of metric pallets can be accommodated, and hygiene considerations also boosted, the attractive material. Its smooth, perishable material.

Although Tidd has dominated the market for chassisless plywood trailer vans, with its big orders from national known companies like the subsidiary National Car and Ferrymasters (a PFI company), the potential for this type of construction has been recognised by the traditional trailer makers, York and CF.

As a solution to both problems Alan Bunt

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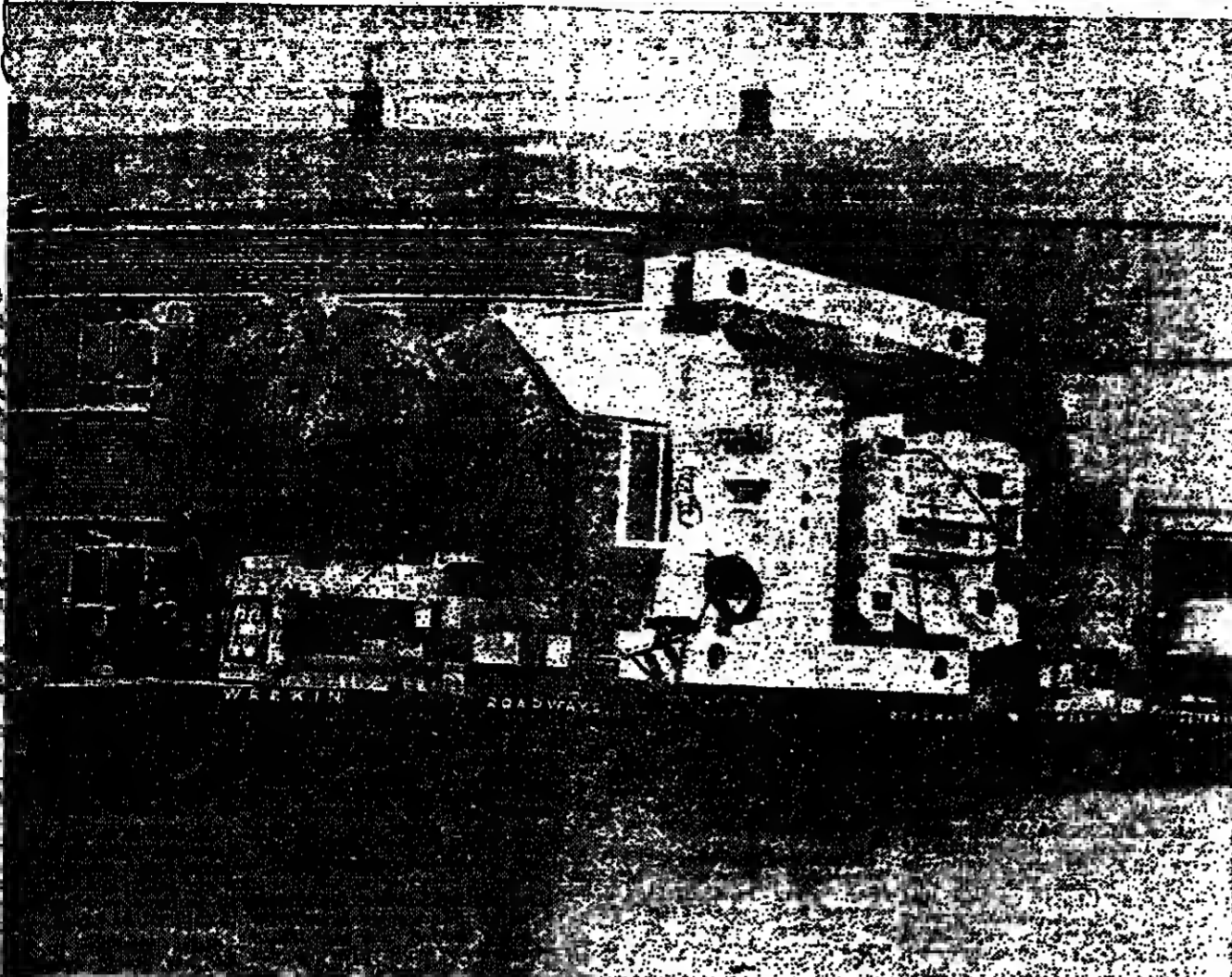
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A 12-axle Crane Fruehauf Cometto semi-trailer capable of transporting loads up to 200 tons.

Bright ideas can still pay off

FOR THE WHOLE of the vehicle industry, the most important development of all in recent years was the energy crisis of late 1973. It caused the depression of markets from which they have suffered since, and it also created a need for new energy-saving devices and new business strategies for companies faced with the hard prospect of survival. The way in which the trailer manufacturers have developed new approaches to the market in the past three years shows what a stimulus the crisis has been towards new ideas.

York Trailer, for example, has pioneered two energy-saving systems—the Hobo method of raising some of a trailer's rear wheels and an aerofoil device for deflecting wind pressure at the front of a trailer and getting better aerodynamics.

York claims substantial economies from both systems—the aerofoil can save up to 10 per cent on diesel fuel, and the Hobo roughly 4 per cent—and it has been particularly excited by the response to the Hobo. The idea behind this system is to reduce tyre friction whenever possible by lifting one set of rear tyres free of the road surface when ever possible. Tyre friction is a prime cause of energy consumption, and in many cases, when running empty or with reduced loads, trucks do not need the extra strength given by two sets of rear wheels and two axles. York says it has had a particularly good response to the system, from owner-operators, many of whom rarely carry return loads.

York and Crane Fruehauf have also followed a policy of widening their industrial base away from trailer manufacturing proper. It is not widely recognised, for example, that Crane now generates 50 per cent of its group turnover outside the main trailer subsidiary. The other activities include companies looking after containers, aviation sales, rigid vehicles, service, parts finance, trailer rentals and freightage. It also has an Iranian subsidiary.

The clear objective in developing these alternative operations was to give some protection against the swings and cycles of the trailer industry proper.

	1972		1973		1974		1975		1976	
	Sales	Profit	Sales	Profit	Sales	Profit	Sales	Profit	Sales	Profit
Crane Fruehauf	27.2	1.3	28.9	1.7	35.3	2.0	33.7	0.1	47.7	1.5
York Trailer	10.4	1.0	14.3	1.3	18.0	1.3	17.1	0.7	21.2	1.2

In the last two years, for example, service and parts turnover have been extremely healthy because customers who were not replacing vehicles have been forced to keep their older trailers on the road. "Our equipment subsidiary has been very busy during the recession," says York, "which is one good reason for continuing our diversification programme."

The acquisitions made by these two companies last year show their thinking for the future. By buying Pengco, formerly a Peterborough-based company, Crane is signalling a big effort to build up in the rigid vehicle area, making chassis, vans, refrigerated units, tanks and demountable body systems. "We plan to bring this to the same size as semi-trailers. We want to get away from dependence on semi-trailers," is how the company puts it.

Expertise

Similarly York's acquisition of Carrimore in County Durham, gives it an expertise in hydraulics which it did not previously have—Carrimore was also purchased by a bid from Edbro, another U.K. vehicle hydraulics specialist. The York has developed in the last few years is towards an integrated structure with a spread of trading activities across the U.K. and overseas, with about half its turnover now coming from exports. The company makes axles and suspensions, for example, which can also be sold to rival concerns, or distributed through its own repair and maintenance network. It makes a variety of products, including tipper vehicles, now using its own hydraulics, so it can offer a range of choice.

Crane's Fishers, the third of the big triumvirate with about 16 per cent of the U.K. market, has followed a different strategy since the depression, choos-

ing to concentrate on more specialised vehicles and maximise turnover from a relatively smaller unit output. With the probability that the company will achieve sales of about £20m in the year to March 1978—not substantially smaller than the £21m turnover of York Trailer last year—this marketing tactic seems to have been justified. The group won a Design Council award last year for its one-man operated low loader system, and has also concentrated on oil field specials and big steel tipper for the Middle East. With these vehicles, and an extra marketing push, it has been able to break successfully into export markets. "In 1975, when sales were bad for everybody, we sent six top executives to the Middle East and Africa," says Mr. Henry Booker, managing director of the group. "We got good orders and doubled our exports in one year."

Flexible

But the specialists argue that in many cases they have better design, born of long experience of the industry, are more flexible in their response to customer requirements, and give a better, more personal service to their customers. These are, of course, the time-honoured arguments of the small manufacturers, which have proved right for some industries and wrong for others.

There is no questioning that the trend in the trailer industry at present is towards size. But equally it is still the sort of industry where the initial capital outlay is not too prohibitive to prevent newcomers with a bright idea getting off the ground; and it is also a business in which there are so many esoteric requirements from hauliers carrying unusual loads, that it will probably leave some room for the small entrepreneur going his own way.

The corollary of this diversification among the larger manufacturers seems to be a greater level of specialisation among the smaller manufacturers. Freight Bonalack of Norwich, for instance, made a special effort in the area of refrigerated vehicles. Tidd Strong

Doubtful future for smaller concerns

THE PAST 12 months have seen a carefully thought-out market policy. In the East End of London, for example, a company called Trailer Systems has established itself within the last three years by spotting the opportunity which suddenly arose for British trailers in export markets. The company is small as yet—it sold only 80 trailers last year—but expansion is on the way with a move to a new plant and orders to build 200 trailers next year.

Export

Established by two experienced trailer industry executives who had worked in both engineering and marketing departments, Trailer Systems is based on the idea of a single-minded pursuit of export markets. At the same time, the company has decided to give a level of personalised service to customers which larger organisations could not achieve: the promise is of virtually tailor-made products. To do this, an unusual method of production has been devised, with men working in small teams of three to five which are all responsible to senior management rather than a foreman, and receive bonuses on output. At present Trailer Systems order book is 100 per cent for export.

M and G Trailers of Lye in Worcestershire has also achieved healthy exports in the last few years. In these markets, it says, there has been strong concentration on the kind of heavy-duty low-loaders in which it specialises, and it has taken the attitude that quality is of the essence in these markets. What countries like Saudi Arabia, Kenya and Nigeria really want, says John Cartwright, its sales manager, is durable equipment which will withstand very heavy loading. "As long as they don't turn over, the trailers will be loaded up, so we always beef them up a bit," he says.

The examples of newcomers like Tidd and Trailer Systems indicates the way in which it is still possible for new businesses to establish themselves in trailer manufacturing. Analysts suggest that really positive economies of scale only begin to show through at large volumes, which means that a small manufacturer can sometimes produce just as cheaply. The problem arises in the middle area, as manufacturers build up the burden of investment and heavier overheads without getting the economies available to companies like Crane and York.

M and G is a medium-size manufacturer which can make up to 100 trailers a month in a variety of configurations, from low loaders and TIR's to platform and skeletal. It believes it can lay claim to giving a greater measure of personal service than some of the larger companies, and it says that business is coming back quite strongly at the moment. After reducing its workforce to 70 during the 1975 slump, it is now back to 90 and could well do with more, although already working overtime and some weekends. But it is expanding only cautiously at the moment for fear of being over-exposed if the recovery fizzles out.

As long as it remains in a reasonably healthy state, M and G does not have to worry unduly about further rationalisation in the industry, since it is itself part of a larger group, the J and F Dyrson company. Freight Bonalack is another company in a similar situation as part of Aftan. A specialist in refrigerated vehicles, Freight Bonalack is reckoned to hold about 50 per cent of this sector in the U.K. market. In recent years it has brought a lot of attention to bear on developing demountable systems for its trailers in order to cut turnaround time and prevent waste, and although refrigerated transport has taken a knock during the recession as people modified their eating habits, this sector is beginning to swing back up in line with the general recovery in transport.

Where specialist manufacturers are particularly strong is in spotting the opportunities created by a new technology and pursuing them against all the doubts. The rise of the Tidd Strongbox company during the last six years is a typical demonstration of how this can happen.

Tidd Strongbox was established by Mr. Hector Tidd, at St. Neots in Cambridgeshire, to

take advantage of the material known as grp—a plastic laminated board—which had scarcely been used in the trailer industry in Britain up to the early 1970s. Mr. Tidd comes from a long-established trailer manufacturing family, but he departed from all the traditional production methods to pioneer a system of putting box trailers together from large sheets of the laminated material without using the normal frames and panel structures. "Originally laminates had been used in shipping containers," he says. "Our inventiveness was not to use it in order to fill in the gaps in the frame, but to see that it had a strength in itself."

Competitive

The new vans, he says, have taken some time to capture the attention of the market. But he claims that the company's prices are competitive, that its costs are low because the method means that it can cut down on workers, and that sales are beginning to take off: last year Tidd made 300 vans in total, but this year it is already scheduled to make 1,000.

The decision to pursue a one product strategy was, he admits, a "big risk which is now beginning to pay off." Although the larger manufacturers are beginning to show an interest in grp and make some of their own trailers in the material, he believes that he now has the technical knowledge and the volume of production to make a go of the business.

He is also in a sector of the market—box vans—which by common consent is on a long-term growth trend, as hauliers seek the advantages which this kind of construction gives in keeping loads both weather-proof and more secure: box trailers could account for about 2,500 sales in the U.K. this year. The laminated surface, which is smooth and jointless, is also reckoned to be more hygienic than some of its competitors.

The examples of newcomers like Tidd and Trailer Systems indicates the way in which it is still possible for new businesses to establish themselves in trailer manufacturing. Analysts suggest that really positive economies of scale only begin to show through at large volumes, which means that a small manufacturer can sometimes produce just as cheaply. The problem arises in the middle area, as manufacturers build up the burden of investment and heavier overheads without getting the economies available to companies like Crane and York.

One way round that conundrum is to develop new production methods and better productivity than the dominant companies. Another is by exporting. The alternative is, of course, to get a good idea, develop it, and sell out; and several specialists have done that to good effect within the last few years.

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Main table listing various unit trusts and offshore funds with columns for name, manager, and performance metrics.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond products with details on providers and terms.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

ART GALLERIES

Table listing art galleries and their locations.

CINEMAS

Table listing cinema listings and showtimes.

CLIVE INVESTMENTS LIMITED advertisement with contact information and a list of investment products.

INSURANCE BASE RATES table showing rates for different types of insurance.

INDUSTRIALS (Misc.)

FT SHARE INFORMATION SERVICE

BE The British Engineers RIVETING SYSTEMS PARTS FEEDING AND ASSEMBLY SYSTEMS OTHER AIDS TO INCREASED PRODUCTIVITY Send for The Guide to the BE Group

BRITISH FUNDS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists various funds like 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

INTERNATIONAL BANK Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists international bank shares.

COMMONWEALTH & AFRICAN LOANS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists loans from various countries.

AMERICANS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists American companies like IBM, General Electric, etc.

CANADIANS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists Canadian companies like Alcan, Inco, etc.

BANKS AND HIRE PURCHASE Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists banks and hire purchase companies.

BEERS, WINES AND SPIRITS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists beer, wine, and spirit companies.

CINEMAS, THEATRES AND TV Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists cinema, theatre, and TV companies.

BUILDING INDUSTRY, TIMBER AND ROADS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists building, timber, and road companies.

BUILDING INDUSTRY - Continued Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Continuation of building industry list.

CHEMICALS, PLASTICS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists chemical and plastic companies.

RETAILERS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists retail companies.

DRAPERY AND STORES Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists drapery and store companies.

DRAPERY AND STORES - Continued Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Continuation of drapery and stores list.

DRAPERY AND STORES - Continued Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Continuation of drapery and stores list.

ELECTRICAL AND RADIO Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists electrical and radio companies.

ENGINEERING, MACHINE TOOLS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists engineering and machine tool companies.

ENGINEERING, MACHINE TOOLS - Continued Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Continuation of engineering and machine tools list.

HOTELS AND CATERERS Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Lists hotels and caterers.

ENGINEERING - Continued Table with columns: High, Low, Stock, Div. Yield, Int. Yield, Net. Continuation of engineering list.

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INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover, Jaguar, and British Aerospace.

PROPERTY - Continued

Table of property stocks including companies like British Land, Wimpey, and Taylor Woodrow.

TRUSTS - Continued

Table of trust stocks including companies like City & County, and various investment trusts.

TRUSTS - Continued

Table of trust stocks, including a sub-section for 'CENTRAL FINANCE'.

Advertisement for DAIWA SECURITIES, International Finance.

Table of central finance stocks including companies like British Venture and British Venture.

Table of Australian stocks including companies like Anglo-Australian and Anglo-Australian.

Table of tin stocks including companies like Anglo-Tin and Anglo-Tin.

Table of copper stocks including companies like Anglo-Copper and Anglo-Copper.

Table of miscellaneous stocks including companies like Anglo-Miscellaneous and Anglo-Miscellaneous.

NOTES: A section providing detailed notes and information regarding the listed securities.

Table of regional markets including sections for India and Bangladesh, Sri Lanka, Africa, and Eastern Rand.

Table of regional markets including sections for Far West Rand, O.P.S., and Finance.

Table of regional markets including sections for Diamond and Platinum, and Finance.

Table of regional markets including sections for Finance and 3-month Call rates.

Table of regional markets including sections for Finance and 3-month Call rates.

Table of regional markets including sections for Finance and 3-month Call rates.

A selection of 100 stocks traded in the London Stock Exchange Report page.

Eastern Airlines to decide next year on Airbus

BY ADRIAN DICKS

EASTERN AIRLINES, one of the big U.S. domestic carriers will decide by the middle of next year whether to place orders for up to 50 A-300 European Airbus...

From New York to Orlando, New York to Palm Beach, and New York to Miami, with perhaps the addition later of the New York-Puerto Rico route, they would be given "the fairest possible trial in our most difficult market at its busiest period," said Mr. Borman.

Members of the Airbus Industrie consortium are primarily Aerospace of France, Deutsche Airbus of West Germany and Fokker of Holland...

glittering prize of big foreign as well as U.S. sales is what has encouraged Airbus Industrie virtually to give the four aircraft to Eastern for the six months' trial...

Borrowing requirement increases sharply

By Peter Riddell, Economics Correspondent

THE BORROWING requirement of central government rose sharply last month. This was the result of increased lending to local authorities and to the underlying transfer of both revenue and expenditure remain favourable.

Continental pinc for Unilever

THE LEX COLUMN

Last month's annual report from Unilever promised further progress during 1977, but the first quarter figures suggest that this will be modest in earnings terms.



Costain is making attempt to reestablishable base—but there is long way to go before justify a market of £28m.

Verdict on Leyland plans soon

By Terry Dodsworth, Motor Industry Correspondent

MR. ERIC VARLEY, the Industry Secretary, hopes to deliver the Government's verdict on British Leyland's revised business plans within the next three weeks.

New Finance Bill change to raise VAT minimum

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT intends to make another alteration to the Finance Bill by agreeing to raise the minimum level at which companies and individuals have to register for VAT...

fruit of the Liberal Party deal with the Government. He claimed that if the Liberals had backed down, then the union opposition in the House would have been sufficient to have forced the Government to have accepted a higher figure.

Commitments

The broad lines of BL's new proposals, suggesting that the plans for a new B10 and a substantial volume of cars business should be retained, appear to have won the support of Lord Ryder, chairman of the NEB.

Employment

Arthur Smith adds: A strong warning about the damaging effect the current review of Leyland Cars operations could have on the regional economy has been issued by the West Midlands Economic Planning Council.

Union joins battle for insurance recruits

BY NICK GARNETT, LABOUR STAFF

THE BATTLE for union recruits in the finance industry flared again yesterday when the National Union of Bank Employees said it was planning a move into insurance—an area Mr. Clive Jenkins, of the Association of Scientific, Technical and Managerial Staffs, regards as his own.

Weather

Table with columns for UK TO-DAY, CLOUDY with rain, SUNNY intervals, and BUSINESS CENTRES with weather forecasts for various cities.

Turnaround

The rise in central Government lending to local councils represents a complete turnaround from the second half of the last financial year, when councils borrowed in the short-term money market rather than from Whitehall on interest rate grounds.

Interest rates

Yesterday's banking figures contain the first signs of a change in the recent trend, with lending showing the glimmerings of a revival and eligible liabilities moving 2 1/2 per cent higher in April.

Unit Trust veto

Yesterday's success of the Investment Protection Committee of the Unit Trust Association to block the change of residence of mining companies is a thing of a special significance.

SHARE REGISTRATION. Is it turning your business into an archive? NatWest Registrars Department. National Westminster Bank Ltd. Registrars Department. National Westminster Court, 37 Broad Street, Bristol BS59 7NL.